



**ARIZONA HOUSING COMMISSION  
TASK FORCE ON TAX-EXEMPT MORTGAGE FINANCING**

***2003 Annual Report***

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**ARIZONA HOUSING COMMISSION**  
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**A. Introduction**

Pursuant to Laws 1999, Chapter 334, the Arizona Housing Commission Task Force on Tax-Exempt Mortgage Financing (the “Task Force”) was established to review and report on 1) the availability of financing for single-family housing and 2) the role of the private activity bond allocation process in facilitating the availability of housing for low-to-moderate income families in all areas of Arizona.

The Task Force is required to issue an annual report of its activities, findings, and recommendations, including information reported to it by the four major Industrial Development Authorities (IDAs) and the recently established Arizona Housing Finance Authority (AzHFA). These five entities issue tax-exempt mortgage revenue bonds (MRBs), mortgage credit certificates (MCCs) and other forms of Private Activity Bonds (PABs). The four IDAs (which include Maricopa County, Pima County, City of Phoenix, and City of Tucson) and the AzHFA are asked to report their use of MRBs, MCCs, and other PABs within their jurisdictions. With the creation of the Arizona Department of Housing (ADOH) and the Arizona Housing Finance Authority (AzHFA) in 2002, the rural areas of the State are covered by the AzHFA: (Note that within the Tax-Exempt Mortgage Financing programs in Arizona, and therefore in this report, the term “rural” refers to all areas outside Maricopa and Pima Counties).

This fourth annual report summarizes the Task Force’s legislative mandate, reports on its activities during the fourth year, submits information received from the four IDAs and the AzHFA, analyzes and compares information received from the IDAs and AzHFA, and makes certain findings and recommendations. This report also contains comparative Federal Housing Administration (FHA) loan activity information (data is included in attached Table 11).

## **B. Legislative Mandate**

Enabling legislation requires that the Task Force issue an annual report “of its activities, findings, and recommendations” on or before August 31 of each year.

The annual report must include:

1. Information concerning the uses of private activity bonds issued by eligible corporations during the two preceding calendar years.
2. Information concerning the use of mortgage revenue bond proceeds or mortgage credit certificates issued during the preceding three calendar years, including:
  - a. The dollar amount of mortgage revenue bonds and mortgage credit certificates issued.
  - b. The location of the recipients of loans financed through mortgage revenue bonds.
  - c. The location of the recipients of mortgage credit certificates.
  - d. The dollar amount of loans and credit certificates processed by each mortgage lender or program administrator.
  - e. A summary of demographic information concerning the recipients of loans financed through mortgage revenue bonds or mortgage credit certificates, to the extent permitted by law.
  - f. A detailed schedule of the costs associated with the mortgage revenue bond program or the mortgage credit certificate program including issuance costs, program administration costs, program marketing costs, recipient fees and charges, and any other costs or charges.

The Task Force is also charged with making recommendations for any modifications of Title 35, Chapters 5 and 7, Arizona Revised Statutes in its 2003 interim report and 2004 final report.

## **C. Background: Mortgage Revenue Bonds, Mortgage Credit Certificates, and Private Activity Bonds**

In 1986, the Arizona Legislature established a private activity bonding authority under the provisions of a 1984 federal Deficit Reduction Act. The federal act designates each state's allotment of tax-exempt private activity bonds based on population. Until 2000, the allocation was \$50 per capita. The federal Community Renewal Act increased the allocation amount beginning in 2001. In 2001, the allocation amount was \$62.50 per capita,

which increased to \$75 in 2002. Beginning in 2003 and thereafter, the amount will be adjusted for inflation. (Projects financed with tax-exempt bonds must comply with the Internal Revenue Code and any applicable state laws.)

In Arizona, this formula produced approximately \$321 million in volume cap for 2001, which was allocated to projects in the following categories:

- 35% for MRBs and MCCs,
  - 20% for student loans,
  - 15% for manufacturing facilities,
  - 15% for all other private activity bonding authority uses
  - 15% for allocation at the discretion of the Department of Commerce Director.
- Traditionally, the director's discretion category was allocated to manufacturing projects, if available.

Of the 35% allocated for MRBs and MCCs, during the 2001 reporting period, approximately 78% was distributed between Maricopa and Pima Counties and the Cities of Phoenix and Tucson, based on population, and approximately 22% was allocated to a rural program for the remaining counties.

Beginning in 2002, the state volume cap allocations were altered by changes in legislation:

- 35% for MRBs and MCCs;
- 20% for student loans;
- 15% for manufacturing facilities, of which 30% is reserved for urban and 70% for non-urban areas (until April 1);
- 10% for qualified multi-family residential rental projects; of which 30% is reserved for non-urban and 70% for urban areas (for 180 days);
- 10% for all other private activity bonding authority uses; and
- 10% for allocation at the discretion of the Director of the Arizona Department of Commerce; of which 30% is reserved for urban areas and 70% is reserved for non-urban areas until July 1 of each year.

The 2002 volume cap was \$398,049,825 (\$75 per capita times the U.S. Bureau of the Census estimated Arizona population). (See attached Private Activity Bond Allocation Summary – table 12) The 2003 state volume cap is \$409,233,975 and the allocation has not changed. With certain exceptions, on July 1, unused allocations are pooled and re-allocated by lottery for bonds (other than single family mortgage revenue bonds, MCCs and Director's discretionary). On December 17th and 27th, unused volume cap is pooled again and allocated at the discretion of the Director.

The 2002 Legislature established a study committee on Industrial Development Bond Allocations, composed of stakeholders involved with single-family and multifamily housing allocations, to review the utilization of Private Activity Bonds for single and multifamily housing and make recommendations for future allocations. The study committee forwarded their report including five recommendations to the Governor, the Speaker of the House of Representatives and the President of the Senate in January of 2003. A copy of that report is attached (As appendix 2)

The IDAs and AzHFA issue MRBs to help qualified Arizonans buy first homes or homes in designated target areas. MRB investors accept lower interest on these bonds because the interest earnings on the bonds are not included in the holder's adjusted gross taxable income. The interest savings are passed on to qualified homebuyers through mortgages with below market interest rates and/or grants that can be used for down payment or closing costs, significantly lowering home buying costs.

With the exception of homes in target areas, federal tax law limits MRB use to first-time homebuyers who earn no more than the greater of the statewide or area median income. (Families of three or more can earn up to 115%.) The cost of an MRB-financed home cannot exceed 90% of the average home price in its area. Borrower income and home purchase price limits are higher in strictly defined "target areas," which are areas of predominantly low income and/or chronically economically distressed, and in need of affordable housing. (See attached income and purchase price limits – table 14). In comparison, FHA single-family loan limits are set by county and indexed at a percentage of the conforming loan limits established by Freddie Mac in accordance with Section 203 (b)(2)(A) of the National Housing Act, as amended (12 U.S.C. 1709) (See attached FHA-insured loan limits and Freddie Mac loan limits – table 13). By their nature, MRB financed loans have a locked rate, while the rate of an FHA insured loan can vary with the market.

Mortgage Credit Certificates, first authorized in 1984, are another means of providing assistance to low and moderate-income households. An MCC operates as a federal income tax credit. It reduces an eligible borrowers' federal income taxes. The annual amount of the Credit is 20% of the annual interest paid or accrued on the mortgage loan for the residence. Benefits of the MCC are available for the life of the original mortgage as long as the borrower owns and occupies the property as a principal residence. MCCs serve the same public purpose as MRBs.

Bonds issued to finance multifamily residential rental (apartment) projects are separate and distinct from MRBs and MCCs. For multifamily bonds to qualify as tax-exempt, at

least (a) 40% of a building's units must be occupied by families with incomes of 60% or less of the area median income (AMI), or (b) 20% of a building's units must be occupied by families with incomes of 50% or less of AMI.

#### **D. The Tax-Exempt Mortgage Financing Allocation Process**

Until legislative changes took effect in 2000, access to volume cap for MRB and MCC programs was subject to a lottery system under which one IDA was selected at random each year to administer the entire statewide program. Secondary lottery allocations were made during the year when funds were available. The legislative changes that took effect in 2000 allowed each of the four major IDAs (Pima County, City of Tucson, Maricopa County, and City of Phoenix) to administer these programs for its own jurisdiction.

In addition, legislative changes effective in 2002 allow the Director of the Arizona Department of Housing to select the AzHFA or one or more IDA's or a combination of IDAs and the AzHFA to administer MRB and MCC programs for the rural areas of the state. In 2002, the Director selected the AzHFA and the IDAs of Tucson and Pima County jointly to deliver an MRB program. In 2003, the AzHFA will administer an MCC program for the rural portions of the state.

Prior to the creation of the AzHFA in 2002, the rural allocation was awarded to one of the four major IDAs. The allocation was to be kept available to the rural parts of the state for a period of time, normally about 180 days. After that time, the allocation could be used in the IDA's market area as well as the rural parts of the state.

#### **E. Report on Findings**

This section of the report primarily focuses on a summary of findings of the data and information submitted by IDAs and AzHFA for the 2003 annual report. Summary charts from each IDA and AzHFA for the 1998 – 2002 period are attached to this report. These data tables contain valuable demographic and cost of bonds issuance data on a consistent basis for the 1998 – 2002 period. Availability of such data is important for policy makers and is not available in a comprehensive format from any other public or private sources.

## 1. Costs of Issuing Bonds

Mortgage Revenue Bonds issued during the reporting period were reviewed and analyzed for the cost of issuance, as well as specific criteria for homeowner eligibility and dollar volume of bonds issued including new money bonds and recycled bond proceeds.

It appears that the cost of issuing the bonds was well within the range of housing bond issuances from around the country, including state Housing Finance Authorities and local government housing bond issuers. Costs of Issuance (COI) typically include costs for marketing and selling the bonds, costs for legal fees, financial advisors, printing, rating agency fees, trustee, and can include fees for administrative costs to the bond issuer. A generally accepted range of the cost of issuance is 0.75% to 1.7%. The fees for the bonds issued by the four IDAs and AzHFA during the reporting period of 2002 were analyzed and found to be within a range of 1.25% to 1.51% of the bonds issued. In 2001 the range was 0.5% to 1.65% of the bonds issued. The reason for the slight change over the two-year period is unknown, as each entity reported cost data in a different manner.

## 2. Mortgage Loan Products

Each of the reporting IDAs provided program descriptions, including homeowner income eligibility criteria, maximum mortgage loan amounts and the pertinent information regarding mortgage companies and banks that were available to originate the loans. These loans are originated, and then the loans are bundled into mortgage-backed securities. The mortgage-backed securities are then sold to the bond trustee. The IDAs also reported the fees that each loan originator was allowed to charge the homeowner and the fees that loan servicers charged for servicing the mortgage loans. Based on the analysis in the 2001 and 2002 Task Force reports, all of the fees reported by IDAs are within an acceptable and reasonable range in the market. The loan origination and servicing fees are also within the range of allowable fees that are related to mortgage backed bonds around the country. The loan origination fees are typically 1% paid by the homeowner, one-half of 1% paid by the loan servicers to the originator for a service release fee, and 3/8 of 1% charged by the loan servicer.

The use of Mortgage Credit Certificates (MCCs) is not as significant as the MRB mortgage vehicle. The MCC is a variation that can be used by all eligible issuers (IDAs or the AzHFA) and the dollar amount available is controlled by the Federal Tax Code. However, families who are eligible for an MCC program but who have little or no income tax liability are unlikely to want to use an MCC product. There were no MCCs issued by any of the four major IDAs or by AzHFA in 2002. The MCC reporting by the IDAs in 2001



showed results that parallel the use of MRBs in income levels, family size and other loan and demographic information. The reported cost to the consumer (first time home buyer) is typical for other MCC issuers around the country. The fees that the lender and the issuer receive are also typical of national norms according to a survey conducted for the Task Force in 2001

### **3. Loan and Demographic Information**

The 2002 survey conducted for the Task Force also included information about income ranges, mortgage loan amounts, family sizes, new homes versus resale homes, availability of down payment assistance, “rural” versus “urban”, and interest rates. This information was also available through the auspices and cooperation of the National Council of State Housing Agencies (NCSHA). For comments on market conditions and the impact on the bond program, please see section F.

The reporting IDAs provided detailed information to the Task Force and staff. This information is available in the attached exhibits (Tables 1 – 11). The pertinent data for 2002 is as follows:

- Statewide, 516 loans were made under the bond program as compared to 32,103 under the FHA program. Of the total number of loans under the bonds program, more than 95% were classified as FHA/VA loans. As a comparison, in 2000, 1,629 loans were made available under the bond program statewide while 27,725 loans were made available through the FHA program.
- The average income of a typical first-time homebuyer under the bond program was approximately \$36,837. The average income ranged from \$33,758 to \$38,095 depending on bond issue interest rate and family size. Based on Census 2000 data, the median household income for Arizona in 2002 is estimated to be approximately \$41,000. The average income for FHA-financed homes, during the same period, was \$34,440.
- The average purchase price of a home under the bond program was approximately \$107,964. The average purchase price reported in 2000 was \$90,000, an increase of \$17,964 or 16%. The average purchase price of an FHA-financed home was \$105,985.
- Approximately 90% of the houses purchased under the bond program were detached single-family as compared to 80% in 2000, an indication that currently fewer condominiums are being purchased through the bond program. Although comparable data is not available at the state level, for Maricopa County, sales of detached single family homes was reported at 86.2% in 2002 and 85.6% in year 2000.

- Approximately 87% of the houses financed under the bond program in this reporting period were existing (resale) homes, which varies only slightly from the 2000 number of 85%. This is typical of MRB programs around the country, as most participants are first time homebuyers with modest incomes and often cannot afford newly constructed homes. Statewide, 82% of all homes financed under FHA were existing homes.
- Approximately 96% to 98% of homebuyers under the Maricopa County IDA-Phoenix IDA programs and 100% of homebuyers under the Pima County IDA-Tucson IDA -AzHFA program received assistance with down payments and closing costs. Again, this is typical as working people with modest incomes frequently have a hard time saving substantial funds for down payments.
- Approximately 41% of the bond financed mortgage loans were made to minority households, as compared to 50% in 2000. Approximately 49% of FHA loans went to minorities in 2002. Overall, the median income for minority populations is significantly lower than non-minorities. Minorities make up 36.1% of the State population. As a sample population, according to Census 2000 data, the median income for Hispanics/Latinos (one-quarter of Arizona's population) was approximately \$31,673, well below the \$36,837 average bond homebuyer income.
- The reported mortgage rates under the bond programs ranged from 5.99% to 6.99%, as compared to the Freddie Mac's average 30-year fixed mortgage rate of 6.5%.

## **F. Observations and Analysis**

The 2002 economic environment brought about serious challenges to the bond program industry nationwide. 2002 can be characterized as the year of low interest rates, increased negative arbitrage, and rapid prepayment of mortgage loans. The use of MRB financing in Arizona in 2002 fell 68% when compared to loans originated in 2000. Due to the nature of bond financing, rates cannot be changed with the market. Once a program is established, the rate is locked. This is beneficial when market rates rise, but rates have fallen sharply over the past year.

Bond financing has proven itself to be an important tool for low to moderate income, first time homebuyers. In the past, when market conditions made purchasing a home out of reach for many low to medium-income people, bond financing provided an opportunity to access lower interest rates and possible down payment, closing cost assistance. Due to low interest rates and a plethora of new low-cost, low-down market rate products available in the 2002 market, many low and moderate-income people have gained

homeownership through more traditional financing options. The good news is that many people who could not previously have achieved homeownership now can do so.

Indications are that many of the bonding agencies nationwide are not planning to use all of their 2003 allocations. Therefore, an even more significant change in usage may be expected as mortgage rates hit several all time lows during 2003. As interest rates again increase, the need for bond financing with down payment, closing cost assistance will also increase.

It is interesting to note that the bond program did reach purchasers with incomes below the Arizona median income, indicating that it is reaching its target population. The increase in the average purchase price of bond-financed homes from 2000-2002 is indicative of the reason for Arizona's affordable housing crises – rapidly increasing home prices and incomes that cannot keep up.

#### **G. Additional Information – Multifamily Bond Projects**

The demographic and cost of issuance data related to the MRB and MCC programs, provided by the IDAs and the AzHFA is an important source of information for the public as well as the Task Force. For the Task Force to meet its legislatively mandated charge to “review and report on 1) the availability of financing for single-family housing and 2) the role of private activity bond allocation process in facilitating the availability of housing for low-to-moderate income families in all areas of Arizona”, it believes additional data from various sources will be very helpful. The Task Force believes that studying and reporting on multifamily bond projects, in addition to single-family bonds, would be helpful in meeting its legislative charge.

The following information on multifamily bond projects for 2002 was provided by the Arizona Department of Commerce. The allocations are comprised of 10% of 2002 volume cap allocation to multifamily projects, Director's discretion and repooled allocations:

- Maricopa County – allocation: \$59,750,325 / units: 1,274
- Phoenix – allocation: \$45,200,000 / units: 1,053
- Pima County – allocation: \$8 million / units: 444
- Tucson – zero
- AzHFA – zero

## H. Recommendations

The Task Force does not have any interim recommendations for modifications of Title 35, Chapters 5 and 7, ARS at this time. However, it has two recommendations related to the possibility of future recommended legislative changes. They are:

1. The Task Force expects that it will need outside expertise to provide economic, financial and possibly legal analysis for its final report in 2004. It recommends that such expertise be provided by the Department of Housing or other housing entities.
2. The Task Force recommends that the Legislature amend the annual report deadline required by Ch. 334 to allow the report to be finalized on or before December 31 of the reporting year.

### Frequently used Terms within the Report.

**Arbitrage:** The yield differential between the bond interest rate and, in case of Mortgage Revenue Bonds, the investment contract rate.

**Area Median Income (AMI):** The annual gross income above which and below which lie an equal number of incomes. Income eligibility for subsidized housing programs are often set as a percentage of the AMI. The AMI used for bond programs is set by HUD

**Arizona Housing Finance Authority (AzHFA):** One of Arizona's bond-issuing authorities. The AzHFA issues single-family and multifamily private activity bonds, as well as mortgage credit certificates, within the rural areas of Arizona. The AzHFA consists of seven board members and is staffed by the Arizona Department of Housing. (*See Arizona Revised Statutes, Title 41, Chapter 37, Article 1 (A.R.S. §§ 41-3901 through 41-3912)*)

**Cost of Issuance (COI):** All expenses related to the sale and issuance of bonds.

**Federal Housing Administration (FHA):** The federal agency within HUD that insures mortgages on both single-family and multifamily loans, usually with high loan-to-value ratios.

**First Time Homebuyer:** For purposes of the MRB and MCC programs, a mortgagor who has not held ownership interest in a principal residence at any time during the three-year period which ends on the date on which the qualified MRB loan or MCC-assisted loan is executed or assumed.

**Housing and Urban Development, U.S. Department of (HUD):** The U.S. executive department that administers most federal housing programs.

**Industrial Development Authority (IDA):** A nonprofit corporation designated as a political subdivision under Arizona Revised Statutes, Title 35, Chapter 5, Article 1 (A.R.S. §§ 35-701 through 35-708). IDAs are permitted to issue bonds for various purposes, including housing. Each IDA operates within a specified jurisdiction. The four IDAs statutorily authorized to issue MRBs and MCCs are Maricopa County, Pima County, City of Phoenix and City of Tucson.

**Low Income:** In program eligibility determinations, often defined as families with gross incomes between 50% and 80% of median income.

**Moderate Income:** In program eligibility determinations, often defined as families with gross incomes between 80% and 120% of median income.

**Mortgage Credit Certificates (MCC):** The MCC program, authorized by Congress in 1986, is an alternative to mortgage revenue bond-backed financing as a means of providing financial assistance for the purpose of acquiring single-family housing. The MCC is a federal income tax credit, which allows an eligible homebuyer to write off a portion of the annual interest paid on the mortgage as a special tax credit. The credit reduces the federal income tax liability of the buyer, resulting in an increase in the buyer's net earnings.

**Mortgage Revenue Bonds (MRB):** A tax-exempt security issued by a state or political subdivision to provide loans to individual, first-time homebuyers.

**Negative Arbitrage:** The result of paying a higher interest rate on bonds than is achieved from the investment of bond proceeds.

**National Council of State Housing Agencies (NCSHA):** A national, nonprofit organization created by the nation's state Housing Finance Agencies to assist them in increasing housing opportunities for lower income and underserved people through the financing, development, and preservation of affordable housing.

**Private Activity Bonds (PAB):** A type of tax-exempt bond, the proceeds of which are loaned to a non-governmental borrower for a non-governmental purpose. Single-family (also called Mortgage Revenue Bonds) and multifamily revenue bonds are examples of PABs.

**Private Activity Bond Volume Cap:** The federal tax law limit on the amount of certain types of tax-exempt bonds that can annually be issued in a state to assist persons or private companies.

**Rural:** All counties within Arizona other than Maricopa County and Pima County.

**Single-Family Detached (SF):** Usually refers to one-to-four unit owner-occupied family housing.

**Targeted Area:** An area of chronic economic distress or a qualified census tract, which are both entitled to special treatment (e.g. higher purchase price limits) under the MRB and MCC programs.

**Urban:** Maricopa County and Pima County.

**Very Low Income:** In program eligibility terms, usually defined as 50% or less of median income.

## APPENDIX 1

### Demographic Data: 1998 – 2002

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A copy of the 2003 report of a study committee on Industrial Development Bond  
Allocations - Utilization of Private Activity Bonds for Single and Multifamily Housing.

Table 1 (Page 1 of 4)  
Demographic Data Related to MRB and MCC  
Maricopa County IDA  
1998-2002

	MRB 1998-A & B Tax Exempt SF	MRB 2000 - B Tax Exempt SF	MRB 2000 -1 Tax Exempt SF **(Joint...) ***	MRB 2001-1 Tax Exempt SF** (Joint...)	MRB 2001-2 Tax Exempt SF** (Joint...)	MRB 2000-A Taxable SF (1 <sup>st</sup> and 2 <sup>nd</sup> Mortgages)	MRB 2000 - C Taxable SF (1 <sup>st</sup> & 2 <sup>nd</sup> Mortgages)	MRB 2001 - A Taxable SF (1 <sup>st</sup> & 2 <sup>nd</sup> Mortgages)	MRB 2001 - A Taxable SF (2 <sup>nd</sup> Mortgages only)
<b>Tax Exempt - New Allocation - Recycled and/or Refunded</b>	\$32,135,000 \$2,655,000	\$0 \$23,465,642	\$32,822,950 \$15,230,000	\$53,597,489 \$19,135,000	\$0 \$42,580,000	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0
<b>Taxable</b>	\$0	\$0	\$16,995,000	\$0	\$0	\$25,000,000	\$26,500,000	\$79,500,000	\$4,500,000
<b>Number of Loans</b>	407	232	477	240	336	247	267	722	784
<b>Loan Type:</b>									
<b>(FHA/VA)</b>	92.1%	93.1%	91.63%	93.57%	94.2%	100%	99.0%	99.47%	100.0%
<b>Conventional</b>	7.9%	1.7%	4.39%	4.60%	3.25%	0.0%	1.0%	0.22%	0.0%
<b>Others</b>	0%	5.2%	3.98%	1.83%	2.55%	0.0%	0.0%	0.31%	0.0%
<b>Average Purchase Price</b>	\$86,325	\$92,303*	\$96,925*	\$105,226	\$107,979*	\$94,128	\$100,086	\$104,598	\$111,719
<b>Average Family Income</b>	\$34,469	\$35,799	\$37,011	\$38,337	\$37,346	\$39,604	\$40,215	\$40,202	\$40,085
<b>Average Household Size</b>	2	2.50	2.46	2.2	2.2	2.83	2.8	2.8	2.8
<b>Rural Loans</b>	13.5%	NA	NA	NA	NA	NA	NA	NA	NA
<b>Target Areas</b>	6.6%	NA	2.73%	5.21%	4.57%	NA	NA	NA	NA
<b>First Time Buyers</b>	98.8%	100.0%	96.6%	100.0%	100%	90.7%	92.9%	92.0%	94.0%
<b>Loans to Minorities</b>	45%	41.40%	41.4%	31.54%	35.01%	52.82%	54.72%	54.06%	57.22%
<b>Loan to 1-Person Households</b>	34.2%	29.80%	29.8%	41.0%	40.0%	19.4%	27.7%	33.0%	24.0%
<b>Existing Homes</b>	76.2%	82.91%	76.9%	88.46%	79.71%	85.0%	89.35%	86.71%	68.19%
<b># of Participating Lenders</b>	10	16	16	13	13	10	12	14	12
<b>Single Family Detached</b>	77.2%	84.60%	84.6%	87.05%	89.31%	89.0%	92.91%	93.60%	93.53%



**Table 1 (Page 2 of 4)**  
**Demographic Data Related to MRB and MCC**  
**Maricopa County IDA**  
**1998-2002**

	<b>MRB 1998-A &amp; B Tax Exempt SF</b>	<b>MRB 2000 – B Tax Exempt SF</b>	<b>MRB 2000 -1 Tax Exempt SF ** (Joint...)</b>	<b>MRB 2001-1 Tax Exempt SF** (Joint...)</b>	<b>MRB 2001-2 Tax Exempt SF ** (Joint...)</b>	<b>MRB 2000-A Taxable SF (1<sup>st</sup> and 2<sup>nd</sup> Mortgages)</b>	<b>MRB 2000 - C Taxable SF (1<sup>st</sup> &amp; 2<sup>nd</sup> Mortgages)</b>	<b>MRB 2001 - A Taxable SF (1<sup>st</sup> &amp; 2<sup>nd</sup> Mortgages)</b>	<b>MRB 2001 - A Taxable SF (2nd Mortgages only)</b>
<b>Interest Rate</b>	6.55%	93% of loans at 7.9% and 7% of loans at 6.9%	85% of loans at 7.8% (PAR loans) and 15% of loans at 7.15% (assisted loans)	19.59% of loans at 5.83% (PAR loans); and 80.41% of loans at 6.48% (Assisted Loans).	18.39% of loans at 5.79% (PAR Loans); and 81.61% of loans at 6.39% (Assisted Loans).	8.62% of loans at 8.55%; 11.27% of loans at 8.65%; 14.07% of loans at 8.7%; 12.31% of loans at 8.85%; 11.72% of loans at 8.9%; 22.96% of loans at 8.95%; 12.67% of loans at 9.25%; and 6.38% of loans at 9.30%	10.47% of loans at 7.70%; 9.53% of loans at 7.80%; 14.69% of loans at 7.85%; 9.81% of loans at 7.90%; 11.62% of loans at 8.1%; 12.19% of loans at 8.25%; 22.00% of loans at 8.35% ; and 9.7% of loans at 8'5%	7.28% of loans at 7.55%; 14.43% of loans at 7.6%; 3.04% Of loans at 7.6%; 14.33% of loans at 7.7%; 22.84% of loans at 7.75%; 7.43% of loans at 7.80%; 6.25% of loans at 7.85; 7.01% of loans at 7.9%; 10.59% of loans at 7.95%; and 6.80% of loans at 8.0%	44% of loans at 7.50%; and 56% of loans at 8% (these loans were 2 <sup>nd</sup> mortgages only; to be used for down payment and closing cost assistance, up to 6% of the original loan amount.)
<b>30-Year Fixed Rate – 1<sup>st</sup> Mortgage*</b>	Yes	Yes	Yes	Yes		Yes	Yes	Yes	NA
<b>20-Year Fixed Rate – 2nd Mortgage</b>	NA	NA	NA	NA		Yes	Yes	Yes	Yes

SF: Single Family Detached MRB: Mortgage Revenue Bonds MCC: Mortgage Credit Certificate

\* Average Loan Size \*\*Joint City of Phoenix IDA/ Maricopa County IDA. \*\*\* For the MRB 2000-1 Tax Exempt SF (Joint), 47.6 % of the loans were made in Phoenix and 52.4% in

Note: 30-Year Fixed Rate Mortgage: 1998 = 6.94%, 1999 = 7.44%, 2000 = 8.05%, 2001 = 6.97% and 2002 =6.54%.

Table 1 (Page 3 of 4)  
Demographic Data Related to MRB and MCC  
Maricopa County IDA  
1998 - 2002

	MRB 2002-1 Tax Exempt SF ** (Joint...)	MRB 2002-2 Tax Exempt SF ** (Joint...)	MRB 2003	MMRB 2003	MRB 2003	MRB 2003	MCC 2003	MCC 2003	MCC 2003
Tax Exempt - New Allocation - Recycled and/or Refunded Taxable	0  31,080,371  0	1,526,163  19,273,329  0							
Number of Loans	229	174							
Loan Type: (FHA/VA) Conventional Others	98.77% 1.23% 0.00%	99.24% 0.76% 0.00%							
Average Purchase Price	\$111,916	\$110,168							
Average Family Income	\$38,095	\$36,807							
Average Household Size	2.2	2.2							
Rural Loans	N/A	N/A							
Target Areas	0.77%	1.71%							
First Time Buyers	100%	100%							
Loans to Minorities	39.18%	30.04%							
Loan to 1-Person Households	42.4%	40.6%							
Existing Homes	90.89%	88.16%							
# of Participating Lenders	15	15							
Single Family Detached	92.25%	88.64%							

Table 1 (Page 4 of 4)  
Demographic Data Related to MRB and MCC  
Maricopa County IDA  
1998 - 2002

	MRB 2002-1 Tax Exempt SF ** (Joint...)	MRB 2002-2 Tax Exempt SF ** (Joint...)	MRB 2003	MRB 2003	MRB 2003	MRB 2003)	MCC 2003	MCC 2003	MCC 2003
<b>Interest Rate</b>	1.94% of the loans are at 5.90% (PAR Loans) and 98.06% of the loans are at 6.19% (assisted loans)	3.26% of the loans are at 5.39% (PAR loans) and 96.74% of the loans are at 5.99% (assisted loans)							
<b>30-Year Fixed Rate – 1<sup>st</sup> Mortgage</b>	Yes	Yes							
<b>20-Year Fixed Rate – 2nd Mortgage</b>	N/A	N/A							

SF: Single Family Detached MRB: Mortgage Revenue Bonds MCC: Mortgage Credit Certificate

Note: 30-Year Fixed Rate Mortgage: 1998 = 6.94%, 1999 = 7.44%, 2000 = 8.05%, 2001 = 6.97% and 2002 =6.54%.

Table 2 (Page 1 of 4)  
Demographic Data Related to MRB and MCC  
City of Phoenix IDA  
1998-2002

	<b>MCC 1998 Statewide</b>	<b>MRB 1998-A Statewide</b>	<b>MRB 1998-C Statewide</b>	<b>MCC 2000 Rural (1)</b>	<b>MCC 2000 Phoenix (1)</b>	<b>MRB 2000-1 Joint (2)</b>	<b>MRB 2001 –1 Joint (2)</b>	<b>MRB 2001 – 2 Joint (2)</b>
<b>Tax Exempt - New Allocation</b>	\$21,000,000	\$30,000,000	0	\$18,450,035	\$9,997,067	\$10,195,000(B) \$21,580,000(C)	\$ 3,005,000(A) \$ 2,850,000(B) \$25,175,000(C) \$21,705,000(D)	0
<b>Recycled and/or Refunded</b>	0	0	\$53,995,000	0	0 0	\$10,825,000(A) \$ 4,405,000(B)	\$ 9,760,000(A) \$ 9,385,000(B)	\$21,750,000(A) \$20,830,000(B)
<b>Taxable</b>	0	0	0	0		\$16,995,000(D)	0	0
<b>Number of Loans</b>	405	375	651	60	134	477	236	404
<b>Loan Type</b>								
<b>FHA/VA</b>	93.8%	80%	85%	93.3%	93.3%	91.3%	93.4%	93.7%
<b>Conventional</b>	6.2%	18.4%	12.4%	6.7%	6.7%	4.9%	5.4%	3.7%
<b>Others</b>	0%	1.6%	2.6%	0%	0%	3.8%	1.8%	2.6%
<b>Average Purchase Price</b>	\$86,528	\$81,331	\$83,475	\$99,525	\$100,232	\$96,925	\$104,931	\$107,532
<b>Average Family Income</b>	\$32,734	\$33,073	\$33,087	\$34,123	\$35,044	\$36,891	\$38,515	\$36,941
<b>Average Household Size</b>	2.5	2	2	2	2.3	2.5	2.1	2.2
<b>Rural Loans</b>	3.6%	8.3%	8.1%	100%	N/A	N/A	N/A	N/A
<b>Target Areas</b>	4%	10.4%	5.4%	1.67%	8.96%	2.7%	2.1%	2.2%
<b>First Time Homebuyers</b>	98.8%	98.4%	98%	100%	97%	100%	100%	100%
<b>Loans to Minorities</b>	43.5%	42.7%	48.5%	35%	51.75%	40.9%	32.0%	33.5%
<b>Loans to 1-Person Households</b>	31.9%	32.3%	28.1%	40%	38.06%	29.6%	42.4%	40.6%
<b>Existing Homes</b>	73.8%	79.5%	84.2%	48.3%	75.37%	85.5%	88.6%	82.9%
<b># of Participating Lenders</b>	35	7	10	21	14	16	13	16

2001-2A = IDA of the City of Phoenix    2001-2B = IDA of the County of Maricopa

2001-1A = IDA of the City of Phoenix    2001-1B = IDA of the County of Maricopa    2001-1C = IDA of the City of Phoenix    2001-1D= IDA of the County of Maricopa

**Table 2 (Continued, Page 2 of 4)**  
**Demographic Data Related to MRB and MCC**  
**City of Phoenix IDA**  
**1998-2002**

	<b>MCC 1998 Statewide</b>	<b>MRB 1998-A Statewide</b>	<b>MRB 1998-C Statewide</b>	<b>MCC 2000 Rural (1)</b>	<b>MCC 2000 Phoenix (1)</b>	<b>MRB 2000-1 Joint (2)</b>	<b>MRB 2001 –1 Joint (2)</b>	<b>MRB 2001 – 2 Joint (2)</b>
<b>SF</b>	72.8%	76.5%	84.5%	100%	64.93%	89.1%	87.2%	84.4%
<b>Interest Rate</b>	N/A			N/A	N/A			
• <b>PAR</b>		5.95% = 25.3% of loans	5.95% = 20.9% of loans			7.15% = 15% of loans	5.83% = 19.7% of loans	5.79% = 15.7% of loans
• <b>Revised PAR</b>								5.59% = 4.26% of loans
• <b>Assisted</b>		6.6% = 74.7% of loans	6.6% = 79.1% of loans			7.8% = 85% of loans	6.48% = 80.3% of loans	6.39% = 68.5% of loans
• <b>Revised Assisted Par</b>								6.19% = 68.5% of loans
<b>Single Head-of- Household</b>	39.3%	36.0%	37.6%	Not reported	N/A	30.0%	20.8%	19.3%

NOTES:

(1) Program closed – data as of December 31, 2002

(2) Joint Phoenix IDA and Maricopa IDA mortgage revenue bond programs - data as of June 18, 2003

MRB: Mortgage Revenue Bond

MCC: Mortgage Credit Certificate

Rural: All Counties other than Maricopa County and Pima County

Escrowed Bonds not included above: Statewide 1998B SFMRB \$35,000,000; 1998D SFMRB \$10,825,000; 1999 Draw Down Series SFMRB \$25,000,000

Note: 30-Year Fixed Rate Mortgage: 1998 = 6.94%, 1999 = 7.44%, 2000 = 8.05%, 2001 = 6.97% and 2002 =6.54%.

Table 2 (Page 3 of 4)  
Demographic Data Related to MRB and MCC  
City of Phoenix IDA  
1998 – 2002

	<b>MRB 2002-1 Joint (1)</b>	<b>MRB 2002-2 Joint (1)</b>	<b>MRB 2003</b>	<b>MRB 2003</b>	<b>MRB 2003</b>	<b>MRB 2003</b>	<b>MCC 2003</b>
<b>Tax Exempt</b>							
- New Allocation	\$2,315,865(A) \$2,287,505(B)	0					
- Recycled and/or Refunded	\$13,225,000(A) \$13,250,000(B)	\$10,015,000 \$ 9,985,000					
<b>Taxable</b>	0	0					
<b>Number of Loans</b>	228	172					
<b>Loan Type</b>							
FHA/VA	98.3%	98.4%					
Conventional	11.2%	.8%					
Others	.5%	.8%					
<b>Average Purchase Price</b>	\$111,872	\$110,011					
<b>Average Family Income</b>	\$38,132	\$36,940					
<b>Average Household Size</b>	2.2	2.1					
<b>Rural Loans</b>	N/A	N/A					
<b>Target Areas</b>	.8%	1.7%					
<b>First Time Homebuyers</b>	100%	100%					
<b>Loans to Minorities</b>	38.9%	29.1%					
<b>Loans to 1-Person Households</b>	39.0%	44.2%					
<b>Existing Homes</b>	90.9%	88.7%					
<b># of Participating Lenders</b>	15	15					

2002 -1A = IDA of the City of Phoenix

2002-1B = IDA of the County of Maricopa

Table 2 (Continued, Page 4 of 4)

**Demographic Data Related to MRB and MCC**  
**City of Phoenix IDA**  
**1998 - 2002**

	<b>MRB 2002-1 Joint (1)</b>	<b>MRB 2002-2 Joint (1)</b>	<b>MRB 2003</b>	<b>MRB 2003</b>	<b>MRB 2003</b>	<b>MRB 2003</b>	<b>MCC 2003</b>
<b>SF</b>	92.2%	84.9%					
<b>Interest Rate</b>							
• <b>PAR</b>	5.59% = 1.95% of loans	5.39% = 3.31% of loans					
• <b>Assisted Par</b>	6.19% = 98.05% of loans	5.99% = 96.19% of loans					
<b>Single Head-of- Household</b>	21.5%	19.8%					

## NOTES:

(1) Joint Phoenix IDA and Maricopa IDA mortgage revenue bond programs - data as of June 18, 2003. Includes original issue premium.

MRB: Mortgage Revenue Bond

MCC: Mortgage Credit Certificate

Rural: All Counties other than Maricopa County and Pima County

Note: 30-Year Fixed Rate Mortgage: 1998 = 6.94%, 1999 = 7.44%, 2000 = 8.05%, 2001 = 6.97% and 2002 = 6.54%.

Table 3 (Page 1 of 4)  
Demographic Data Related to MRB and MCC  
Pima County IDA  
1998-2002

	MRB 1999-A Statewide	MRB 1999-B Statewide	MRB 2000-A	MRB 2000 (Joint Program) *	MRB 2001 - A1
<b>Tax Exempt</b>					
- New Allocation	\$59,999,955	\$7,180,000	\$10,000,000	\$0	10,000,000
- Recycled and/or Refunded	\$23,500,000	\$48,814,812	\$5,725,000	\$10,000,000	14,625,000
<b>Taxable</b>	\$6,000,000	\$5,575,000	\$1,135,000	\$1,500,000	1,500,000
<b>Number of Loans</b>	583	565	63	211**	29
<b>Loan Type</b>					
FHA/VA					
Conventional	93.6%	87.8%	95.2%	87.6%	100%
	6.4%	12.2%	1.6%	7.0%	0%
Others	0	0	3.2%	5.4%	0%
<b>Average Purchase Price</b>	\$86,789	\$87,902	\$103,863	\$85,870	\$103,118
<b>Average Family Income</b>	\$33,622	\$34,089	\$37,865	\$31,688	\$32,664
<b>Average Household Size</b>	2.32	2	2.65	2.7	3
<b>Rural Loans</b>	NA	NA	0%	0%	0%
<b>Target Areas</b>	7.9%	11.5%	44.4%	11.87%	20.69
<b>First Time Buyers</b>	NA	NA	98.41%	100%	96.55%
<b>Loans to Minorities</b>	59%	55%	57.14%	55.4%	86.21%
<b>Loans to 1- Person Households</b>	35%	43.7%	19.05%	24%	24.14%
<b>Existing Homes</b>	100%	100%	93.65%	75.2%	10.34%
<b># of Participating Lenders (Initial)</b>	12	8	4	7	5
<b>SF</b>	66.4%	63.7%	55.56%	91.16%	34.48%
<b>Interest Rate</b>	6.53%	7.4%	6.95%	7.59%	6.25%



Table 3 (Continued, Page 2 of 4)  
Demographic Data Related to MRB and MCC  
Pima County IDA  
1998-2002

	<b>MRB (Tucson/Pima) 2001-1 (Joint Program)(1)(5)</b>	<b>MRB (Rural) 2001-2 / 2001-3 (Joint Program)(2)(5)</b>	<b>MRB/ MCC 2003</b>	<b>MRB/MCC 2003</b>
<b>Tax Exempt - New Allocation</b>	\$2,890,000(Pima) \$5,376,358 (Tucson) \$2,100,000 (T&P from2000- 1C)	\$20,140,000(Rural)+		
<b>- Recycled and/or Refunded Taxable</b>	\$7,435,000 (Pima)  \$1, 500,000	\$ 1,500,000		
<b>Number of Loans</b>	187	95		
<b>Loan Type</b>				
<b>FHA/VA</b>				
<b>Conventional</b>	91.45%	89.48%		
	8.55%	8.41%		
<b>Others</b>		2.11%		
<b>Average Purchase Price</b>	\$88,046	\$86,554		
<b>Average Family Income</b>	\$32,407	\$33,716		
<b>Average Household Size</b>	2.7	2.57		
<b>Rural Loans</b>	0%	53.14%		
<b>Target Areas</b>	16.04%	10.53		
<b>First Time Buyers</b>	99.47%	100%		
<b>Loans to Minorities</b>	70.59%	50.53%		
<b>Loans 1-Person Households</b>	20.86%	20%		
<b>Existing Homes</b>	73.80%	86.32%		
<b># of Participating Lenders (Initial)</b>	8	5		
<b>SF</b>	90.37%	86.32%		
<b>Interest Rate</b>	6.95% (3) 6.45% (4) All loans have 6.95%	6.25%  All loans have 6.95%		

**Table 3 (Continued, Page 3 of 4)**  
**Demographic Data Related to MRB and MCC**  
**Pima County IDA**  
**1998-2002**

SF: Single Family Detached

MRB: Mortgage Revenue Bonds

MCC: Mortgage Credit Certificate

+ In 2001, there was no AzHFA, and the Rural allocation was awarded to Pima and Tucson IDA. This shows Pima County Jurisdiction plus the other 13 counties..

\*Joint City of Tucson IDA/ Pima County IDA Program

\*\* 96.5 % of the loans were made in Tucson and 3.5% in the remaining areas of Pima County (program still in progress).

"MRB 1999-A" and "MRB 1999-B" are closed, but "MRB 2000-A" and "MRB 2000-(joint program)" are still in progress.

(1) 2001-1 (Tucson- Pima)

(2) 2001-2 (A&B), 2001 – 3 (All are initially rural housing programs, then with expanded program areas).

(3) 2001-1 (Tucson-Pima), 2001 – 2A (Rural Housing Program), 2001-2B(Rural Housing Program) All had 4% down payment assistance.

(4) 2001-3 (Builder Reservation Program) – no down payment assistance.

(5) This is a joint bond issue. All numbers and percentages with the exception of New Allocation are for the entire program and not just the Pima County portion.

Note: 30-Year Fixed Rate Mortgage: 1998 = 6.94%, 1999 = 7.44%, 2000 = 8.05%, 2001 = 6.97% and 2002 =6.54%.

**Table 3 (Continued, Page 4 of 4)**  
**Demographic Data Related to MRB and MCC**  
**Pima County IDA**  
**1998 – 2002**

	<b>MRB 2002 (5) (Joint – Tucson/Pima)</b>	<b>MRB 2002 (5) (Joint – Rural)+</b>	<b>MCC 2002</b>	<b>MRB 2003</b>	<b>MRB 2003</b>	<b>MCC 2003</b>
<b>Tax Exempt</b>	\$ 6,270,541 (Pima)	\$8,360,722				
<b>- New Allocation</b>	\$6, 270,542 (Tucson)					
<b>- Recycled and/or Refunded</b>	-0-	-0-				
<b>Taxable</b>	-0-	-0-				
<b>Number of Loans</b>	64	29				
<b>Loan Type</b>						
<b>FHA/VA</b>	95.31	89.7%				
<b>Conventional</b>	4.69	10.3%				
<b>Others</b>						
<b>Average Purchase Price</b>	96,203	89,482				
<b>Average Family Income</b>	33,810	33,758				
<b>Average Household Size</b>	2.91	2.45				
<b>Rural Loans</b>	0%	100%				
<b>Target Areas</b>	10.94%	0%				
<b>First Time Buyers</b>	98.44%	100%				
<b>Loans to Minorities</b>	68.75	55.17%				
<b>Loan to 1-Person Households</b>	21.88	31.03				
<b>Existing Homes</b>	75%	75.86%				
<b># of Participating Lenders (Initial)</b>	9	6				
<b>SF</b>	84.38%	96.55%				
<b>Interest Rate</b>	6.25%	6.25%				

SF: Single Family Detached

MRB: Mortgage Revenue Bonds

MCC: Mortgage Credit Certificate

+ The 2002 program is a joint program between Pima IDA, Tucson IDA and AzHFA.. The area includes the 13 rural counties (Maricopa and Pima are not included).

Note: 30-Year Fixed Rate Mortgage: 1998 = 6.94%, 1999 = 7.44%, 2000 = 8.05%, 2001 = 6.97% and 2002 =6.54%.

Table 4 (Page 1 of 3)  
Demographic Data Related to MRB and MCC  
City of Tucson IDA  
1998-2002

	MCC 1998	MCC 1999	MRB 2000 (Joint Program) *	MRB (Tucson/Pima) 2001-1 (Joint Program)(1)(3)	MRB (Rural) 2001-2 / 2001-3 (Joint Program)(2)(3)
<b>Tax Exempt - New Allocation - Recycled and/or Refunded</b>	\$6,227,019 0	\$3,095,046 0	City of Tucson \$ only 0 \$10,000,0000	\$2,890,000(Pima) \$5,376,358 (Tucson) \$2,100,000 (T&P from2000-1C) \$7,435,000 (Pima)	\$20,140,000(Rural)
<b>Taxable</b>	0	0	\$1,500,000	\$1, 500,000	\$ 1,500,000
<b>Number of Loans</b>	91	32	211**	187***	95
<b>Loan Type</b>					
FHA/VA	74.7%	68.7%	87.6%		89.48%
Conventional	22%	31.3%	7.0%	91.45%	8.41%
Others	3.3%		5.4%	8.55%	2.11%
<b>Average Purchase Price</b>	\$87,403	\$93,912	\$85,309	\$88,046	\$86,554
<b>Average Family Income</b>	\$30,216	\$31,194	\$31,870	\$32,407	\$33,716
<b>Average Household Size</b>	2	3	2.7	2.7	2.57
<b>Rural Loans</b>	2	0	NA	0%	53.14%
<b>Target Areas</b>	7.7%	15.6%	11.87%	16.04%	10.53
<b>First Time Buyers</b>	91	1	100%	99.47%	100%
<b>Loans to Minorities</b>	47.2%	50%	55.4%	70.59%	50.53%
<b>Loan to 1-Person Households</b>	40.7%	28.1%	24%	20.86%	20%
<b>Existing Homes</b>	72.5%	59%	75.2%	73.80%	86.32%
<b># of Participating Lenders</b>	49	21	7	8	5
<b>SF</b>	95.6%	100%	91.16%	90.37%	86.32%
<b>Interest Rate</b>	NA	NA	7.59%	6.95% (3) 6.45% (4) All loans have 6.95%	6.25% All loans have 6.95%

**Table 4 (Page 2 of 3)**  
**Demographic Data Related to MRB and MCC**  
**City of Tucson IDA**  
**1998-2002**

SF: Single Family Detached  
MRB: Mortgage Revenue Bonds  
MCC: Mortgage Credit Certificate

\*Joint City of Tucson IDA/ Pima County IDA Program

\*\* 96.5 % of the loans were made in Tucson and 3.5% in the remaining areas of Pima County (still in progress).

\*\*\* Loans include Tucson and Pima County (still in progress).

(1) 2001-1 (Tucson- Pima)

(2) 2001-2 (A&B), 2001 – 3 (All are initially rural housing programs, then with expanded program areas).

(3) This is a joint bond issue. All numbers and percentages with the exception of New Allocation are for the entire program and not just the Pima County portion.

Note: 30-Year Fixed Rate Mortgage: 1998 = 6.94%, 1999 = 7.44%, 2000 = 8.05%, 2001 = 6.97% and 2002 =6.54%.

**Table 4 (Page 3 of 3)**  
**Demographic Data Related to MRB and MCC**  
**City of Tucson IDA**  
1998-2002

	<b>MRB 2002 (3) (Joint – Tucson/Pima)</b>	<b>MRB 2002 (3) (Joint – Rural)</b>	<b>MRB 2002</b>	<b>MCC 2002</b>	<b>MRB 2003</b>	<b>MCC 2003</b>
<b>Tax Exempt</b>	\$ 6,270,541 (Pima)	\$8,360,722				
<b>- New Allocation</b>	\$6, 270,542 (Tucson)					
<b>- Recycled and/or Refunded</b>	-0-	-0-				
<b>Taxable</b>	-0-	-0-				
<b>Number of Loans</b>	64	29				
<b>Loan Type</b>						
<b>FHA/VA</b>	95.31	89.7%				
<b>Conventional</b>	4.69	10.3%				
<b>Others</b>						
<b>Average Purchase Price</b>	96,203	89,482				
<b>Average Family Income</b>	33,810	33,758				
<b>Average Household Size</b>	2.91	2.45				
<b>Rural Loans</b>	0%	100%				
<b>Target Areas</b>	10.94%	0%				
<b>First Time Buyers</b>	98.44%	100%				
<b>Loans to Minorities</b>	68.75	55.17%				
<b>Loans to 1-Person Households</b>	21.88	31.03				
<b>Existing Homes</b>	75%	75.86%				
<b># of Participating Lenders</b>	9	6				
<b>SF</b>	84.38%	96.55%				
<b>Interest Rate</b>	6.25%	6.25%				

SF: Single Family Detached  
MRB: Mortgage Revenue Bonds  
MCC: Mortgage Credit Certificate

(3) This is a joint bond issue. All numbers and percentages with the exception of New Allocation are for the entire program and not just the Pima County portion.

Note: 30-Year Fixed Rate Mortgage: 1998 = 6.94%, 1999 = 7.44%, 2000 = 8.05%, 2001 = 6.97% and 2002 =6.54%.

**Table 5 (Page 1 of 2)**  
**Demographic Data Related to MRB and MCC**  
**Arizona Housing Finance Authority**  
**2001-2002**

	<b>MRB (Rural) 2001-2 / 2001-3 (Joint Program)(1)(2)</b>	<b>MRB 2002 (2) (Joint – Rural)</b>	<b>MRB 2003</b>	<b>MRB 2003</b>	<b>MRB 2003</b>	<b>MRB 2003</b>	<b>MCC 2003</b>	<b>MCC 2003</b>	<b>MCC 2003</b>	<b>MCC 2003</b>
<b>Tax Exempt - New Allocation - Recycled and/or Refunded</b>	\$20,140,000(Rural)	\$8,360,722								
<b>Taxable</b>	\$1,500,000	-0-								
<b>Number of Loans</b>	95	29								
<b>Loan Type</b>										
<b>FHA/VA</b>	89.48%	89.7%								
<b>Conventional</b>	8.41%	10.3%								
<b>Others</b>	2.11%									
<b>Average Purchase Price</b>	\$86,554	89,482								
<b>Average Family Income</b>	\$33,716	33,758								
<b>Average Household Size</b>	2.57	2.45								
<b>Rural Loans</b>	53.14%	100%								
<b>Target Areas</b>	10.53	0%								
<b>First Time Buyers</b>	100%	100%								
<b>Loans to Minorities</b>	50.53%	55.17%								
<b>Loans to 1-Person Households</b>	20%	31.03								
<b>Existing Homes</b>	86.32%	75.86%								
<b># of Participating Lenders (Initial)</b>	5	6								
<b>SF</b>	86.32%	96.55%								
<b>Interest Rate</b>	6.25% All loans have 6.95%	6.25%								

**Table 5 (Page 2 of 2)**  
**Demographic Data Related to MRB and MCC**  
**Arizona Housing Finance Authority**  
**2001-2002**

SF: Single Family Detached  
MRB: Mortgage Revenue Bonds  
MCC: Mortgage Credit Certificate

(1) 2001-1 (Tucson- Pima)

(2) 2001-1 (Tucson-Pima-AZHFA), 2001 – 2A (Rural Housing Program), 2001-2B(Rural Housing Program) All had 4% down payment assistance.

Note: 30-Year Fixed Rate Mortgage: 1998 = 6.94%, 1999 = 7.44%, 2000 = 8.05%, 2001 = 6.97% and 2002 =6.54%.



**Table 6 (Page 1 of 4)**  
**Costs of Issuance**  
**Maricopa County IDA**  
**2000 - 2002**

	Maricopa County IDA 2000 – B Program		Maricopa County IDA 2000 – 1 Program		Maricopa County IDA 2001 – 1 Program		Maricopa County IDA 2001 – 2 Program		Maricopa County IDA Taxable 2000 – A Program	
Tax Exempt	\$0		\$32,822,950		\$53,597,489		\$0		\$0	
▪ New Allocation										
▪ Recycled and/or Refunded	\$23,465,642		\$15,230,000		\$19,135,000		\$42,580,000		\$0	
Taxable	\$0		\$16,995,000		\$0		\$0		\$25,000,000	
Cost of Issuance	\$	RFP (Y/N)	\$	RFP (Y/N)	\$	RFP (Y/N)	\$	RFP (Y/N)	\$	RFP (Y/N)
<b>Bond Counsel (including expenses)</b>	\$65,000	Y	75,000	Y	\$55,000	Y	\$33,000	Y	44,390.10	N
<b>Issuer Fee</b>	\$80,404.54	N/A	NA	NA	NA	NA	NA	NA	NA	NA
<b>Issuer's Counsel (including expenses)</b>	\$30,000	Y	37,000 58,992.55	N N	\$28,000 \$50,000	N N	\$16,800 \$30,000	N	25,640.11	N
<b>Underwriter Fee (including expenses)</b>	\$180,639.20	Y	488,740	Y	\$230,615	Y	\$102,160.04	Y	15,469.79	N
<b>Trustee Fee (acceptance fee)</b>	\$2,500	Y	5,000	Y	\$2,500	Y	\$5,000	Y	3,000	N
<b>Purchaser's Counsel (including expenses)</b>	\$3,500	N	NA	NA	\$5,000	NA	NA	NA	NA	NA
<b>Rating Agency</b>	\$8,700	N	21,000	N	\$18,500	NA	\$18,500	N	16,000	N
<b>Accountant's Verification</b>	\$6,000	N	NA	NA	\$8,000	NA	NA	NA	NA	NA
<b>Printing and Mailing of POS and OS</b>	\$5,000	NA	9,085	NA	\$8,000	NA	NA	NA	NA	NA
<b>Expense Contingency</b>	\$5,000	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Financial Advisor</b>	NA	NA	49,500	N	NA	NA	NA	NA	NA	NA
<b>Trustee Counsel</b>	NA	NA	7,500	N	\$5,000	N	\$2,500	N		

Table 6 (Page 2 of 4)  
Costs of Issuance  
Maricopa County IDA  
2000 - 2002

	Maricopa County IDA 2000 – B Program		Maricopa County IDA 2000 – 1 Program		Maricopa County IDA 2001 – 1 Program		Maricopa County IDA 2001 – 2 Program		Maricopa County IDA Taxable 2000 – A Program	
<b>Verification Agent</b>	NA	NA	5,000	NA	\$5,500	NA	NA	NA		
<b>Trustee (capitalized interest deposit)</b>	NA	NA	NA	NA	NA	NA	NA	NA	8,000	NA
<b>Bond Purchaser Counsel</b>	NA	NA	NA	NA	NA	NA	NA	NA	25,000	N
<b>Total</b>	\$386,743.73	NA	\$757,317.55	NA	\$403,115.00	NA	\$221,460.04	NA	137,500.00	NA

Y = Yes

N = No

NA = Not Applicable or Not Available

**Table 6 (Page 3 of 4)**  
**Costs of Issuance**  
**Maricopa County IDA**  
**2000 - 2002**

	Maricopa County IDA Taxable 2000 – C Program		Maricopa County IDA Taxable 2001 – A Program		Maricopa County IDA Tax- Exempt 2002-1 Program (Joint with Phx IDA)		Maricopa County IDA Tax- Exempt 2002-2 Program (Joint with Phx IDA)	
<b>Tax Exempt</b>								
▪ New Allocation		\$0		\$0		\$0		\$1,526,163
▪ Recycled and/or Refunded		\$0		\$0		\$31,080,371		\$19,273,329
<b>Taxable</b>		\$26,500,000		\$79,500,000		\$0		\$0
<b>Cost of Issuance</b>	\$	RFP (Y/N)	\$	RFP (Y/N)	\$	RFP (Y/N)	\$	RFP (Y/N)
<b>Bond Counsel (including expenses)</b>	\$23,861.94	N	\$22,088.97	N	\$60,000.00	Y	\$45,000.00	Y
<b>Issuer Fee</b>	NA	NA	NA	NA	N/A	N/A	N/A	N/A
<b>Issuer's Counsel (including expenses)</b>	\$10,000	N	\$15,000	N	\$25,000	N/A	\$15,000	N/A
<b>Underwriter Fee (including expenses)</b>	NA	NA	NA	NA	\$246,175.14	Y	\$186,181.25	Y
<b>Trustee Fee (acceptance fee)</b>	\$3,000	N	\$5,000	N	\$3,500.00	Y	\$3,500.00	Y
<b>Purchaser's Counsel (including expenses)</b>	NA	NA	NA	NA	N/A	N/A	N/A	N/A
<b>Rating Agency</b>	\$16,000	N	\$22,000	N	\$18,500.00	N/A	\$13,500.00	N/A
<b>Accountant's Verification</b>	NA	NA	NA	NA	N/A	N/A	N/A	N/A
<b>Printing and Mailing of POS and OS</b>	NA	NA	NA	NA	4,500.00	N/A	\$3,000.00	N/A
<b>Expense Contingency</b>	NA	NA	NA	NA	N/A	N/A	N/A	N/A
<b>Financial Advisor</b>	NA	NA	NA	NA	\$44,000.00	N/A	\$27,000.00	N/A
<b>Trustee Counsel</b>	NA	NA	NA	NA	N/A	N/A	N/A	N/A
<b>Verification Agent</b>	NA	NA	NA	NA	\$5,000.00	N/A	\$5,000.00	N/A
<b>Trustee (capitalized interest deposit)</b>	NA	NA	NA	NA	N/A	N/A	N/A	N/A

**Table 6 (Page 4 of 4)**  
**Costs of Issuance**  
**Maricopa County IDA**  
**2000 - 2002**

	<b>Maricopa County IDA Taxable 2000 – C Program</b>		<b>Maricopa County IDA Taxable 2001 – A Program</b>		<b>Maricopa County IDA Tax- Exempt 2002-1 Program (Joint with Phoenix IDA)</b>		<b>Maricopa County IDA Tax- Exempt 2002-2 Program (Joint with Phoenix IDA)</b>	
<b>Bond Purchaser Counsel</b>	\$15,000	N	\$15,000	N	N/A	N/A	N/A	N/A
<b>Placement Agent Fee (including expenses)</b>	\$98,000	N	\$177,000	N	N/A	N/A	N/A	N/A
<b>Placement Agent Counsel (including expenses)</b>	\$15,000	N	\$15,000	N	N/A	N/A	N/A	N/A
<b>Miscellaneous Expenses</b>	\$6,638	N	NA	NA	N/A	N/A	N/A	N/A
<b>Termination Fee Reserve</b>	NA	NA	\$35,000	N	N/A	N/A	N/A	N/A
<b>Total</b>	\$137,500	NA	\$306,088	NA	\$431,675	N/A	313,181	N/A

Y = Yes

N = No

NA = Not Applicable or Not Available

**Table 7 (Page 1 of 2)**  
**Costs of Issuance**  
City of Phoenix IDA  
2000 - 2002

	City of Phoenix IDA MRB – 2001-1 Joint		City of Phoenix IDA MRB – 2001-2 Joint		City of Phoenix IDA MRB – 2002-1 Joint		City of Phoenix IDA MRB – 2002-2 Joint	
<b>Tax Exempt</b>								
▪ <b>New Allocation</b>	\$ 3,005,000(A)		0		\$2,315,865(A)		0	
	\$ 2,850,000(B)				\$2,287,505(B)			
	\$25,175,000(C)							
	\$21,705,000(D)							
▪ <b>Recycled and/or Refunded Taxable</b>	\$ 9,760,000(A)		\$21,750,000(A)		\$13,225,000(A)		\$10,015,000	
	\$ 9,385,000(B)		\$20,830,000(B)		\$13,250,000(B)		\$ 9,985,000	
	0		0		0		0	
<b>Cost of Issuance</b>	\$	RFP (Y/N)	\$	RFP (Y/N)		RFP (Y/N)		RFP (Y/N)
<b>Bond Counsel (including expenses)</b>	\$55,000	Y	\$33,000	Y	\$60,000	Y	\$45,000	Y
<b>Issuer Fee</b>	NA	NA	NA	NA	N/A	NA	N/A	NA
<b>Issuer's Counsel (including expenses)</b>	\$28,000	Y	\$16,800	Y	\$25,000	Y	\$15,000	Y
	\$50,000		\$30,000		\$25,000		\$15,000	
<b>Underwriter Fee (including expenses)</b>	\$230,615	Y	\$102,160	Y	\$246,175.14	Y	\$186,181	Y
<b>Trustee Fee (acceptance fee)</b>	\$2,500	Y	\$5,000	Y	\$3,500	Y	\$3,500	Y
<b>Purchaser's Counsel (including expenses)</b>	NA	NA	NA	NA	N/A	NA	N/A	NA
<b>Rating Agency</b>	\$18,500	Y	\$18,500	Y	\$18,500	Y	\$13,500	Y
<b>Accountant's Verification</b>	NA	NA	NA	NA	\$5,000	Y	\$5,000	Y
<b>Printing and Mailing of POS and OS</b>	\$8,000	Y	\$8,000	Y	\$4,500	Y	\$3,000	Y
<b>Expense Contingency</b>	NA	NA	NA	NA	NA	NA	NA	NA
<b>Financial Advisor</b>	\$5,000	Y	\$2,500	Y	\$44,000	Y	\$27,000	Y
<b>Trustee Counsel</b>	NA	NA	NA	NA	NA	NA	NA	NA
<b>Verification Agent</b>	NA	NA	NA	NA	NA	NA	NA	NA
<b>Trustee (capitalized interest deposit)</b>	NA	NA	NA	NA	N/A	NA	N/A	NA

**Table 7 (Page 2 of 2)**  
**Costs of Issuance**  
**City of Phoenix IDA**  
**2000 - 2002**

	City of Phoenix IDA MRB – 2001-1 Joint		City of Phoenix IDA MRB – 2001-2 Joint		City of Phoenix IDA MRB – 2002-1 Joint		City of Phoenix IDA MRB – 2002-2 Joint	
<b>Bond Purchaser Counsel</b>	NA	NA	NA	NA	NA	NA	NA	NA
<b>Placement Agent Fee (including expenses)</b>	NA	NA	NA	NA	NA	NA	NA	NA
<b>Placement Agent Counsel (including expenses)</b>	NA	NA	NA	NA	NA	NA	NA	NA
<b>Miscellaneous Expenses</b>	\$5,500	Y	\$5,500	Y	N/A	NA	N/A	NA
<b>Termination Fee Reserve</b>	NA	NA	NA	NA	NA	NA	NA	NA
<b>Total</b>	\$403,115	NA	\$221,460	NA	\$431,675	NA	\$313,181	NA

Y = Yes

N = No

NA = Not Applicable or Not Available

**Table 8 (Page 1 of 2)**  
**Costs of Issuance**  
**Pima County IDA**  
**2000 - 2002**

	<b>Pima County MRB 2001</b>		<b>Pima County/City of Tucson IDA MRB – 2001 Joint and Rural Statewide Program</b>	
<b>Tax Exempt</b> <ul style="list-style-type: none"> <li>▪ Long term to fund mortgage loans</li> <li>▪ Short Term Escrow Bond</li> </ul> <b>Taxable</b>	<b>Pima Only</b> <b>\$10,000,000</b> <b>\$9,535,000</b> <b>\$10,265,000</b>		<b>Total Combined</b> <b>\$36,500,000</b> <b>\$13,500,000*</b> <b>\$3,000,000</b>	
<b>Cost of Issuance</b>	\$	RFP (Y/N)	\$	RFP (Y/N)
<b>Bond Counsel (including expenses)</b>	\$35,000	NA	\$42,500	Y
<b>Issuer Fee</b>	NA	NA	NA	NA
<b>Issuer's Counsel (including expenses)</b>	\$20,000	NA	\$37,500 \$37,500	Y Y
<b>Underwriter Fee (including expenses)</b>	\$144,996	NA	\$290,000	Y
<b>Trustee Fee (acceptance Fee)</b>	\$16,000	NA	\$4,000	Y
<b>Purchaser's Counsel (including expenses)</b>	NA	NA	NA	NA
<b>Rating Agency</b>	\$16,000	NA	\$18,500	N
<b>Accountant's Verification</b>	\$6,500	NA	NA	NA
<b>Printing and Mailing of POS and OS</b>	\$8,000	NA	\$7,618	N
<b>Expense Contingency</b>	NA	NA	NA	NA
<b>Financial Advisor</b>	\$17,000	NA	\$22,000	N
<b>Trustee Counsel</b>	NA	NA	\$6,000	NA
<b>Verification Agent</b>	NA	NA	\$7,500	N
<b>Trustee (capitalized interest deposit)</b>	NA	NA	NA	NA
<b>Bond Purchaser Counsel</b>	NA	NA	NA	NA
<b>Placement Agent Fee (including expenses)</b>	NA	NA	NA	NA
<b>Placement Agent Counsel (including expenses)</b>	NA	NA	NA	NA
<b>Miscellaneous Expenses</b>	\$24,394	NA	\$118,150.05**	NA
			NA	NA
<b>Total</b>	\$254,894	NA	\$591,268	NA

Y = Yes   N = No   NA = Not applicable or Not Available

\* Amount of Escrow Bonds: Joint Tucson/Pima = \$10,265,000 and Pima County = \$3,235,000

\*\* Breakdown of Miscellaneous: Underwriter's Counsel = \$50,000; Program Coordinator/Marketing: Rural = \$30,000 and Tucson/Pima County = \$15,000; Purchase Price Study = \$6,000, and Dept. of Commerce Application and Confirmation Fees = \$17,150.05.

Note:    1. In the demographic tables, the City of Tucson IDA numbers for 2001 have been split into two parts: \$20,000,000 and \$19,500,000.  
          2. The \$591,267.92 cost of issuance is for the total issue of \$53,000,000 by the City of Tucson IDA in year 2001.



**Table 8 (Page 2 of 2)**  
**Costs of Issuance**  
**Pima County IDA**  
**2000 - 2002**

	<b>Pima County MRB 2002 (Joint Issue with Tucson IDA and AzHFA)</b>	<b>Pima County MRB – 2003</b>
<b>Tax Exempt</b>	<b>Total Combined</b>	
▪ New Allocation	<b>\$20,000,000</b>	
▪ Recycled and/or Refunded	<b>\$20,000,000*</b>	
<b>Taxable</b>	<b>0</b>	
<b>Cost of Issuance</b>		RFP (Y/N)
<b>Bond Counsel (including expenses)</b>	47,500.00	N
<b>Issuer Fee</b>	No upfront fee	N/A
<b>Issuer's Counsel (including expenses)</b>		
a) Pima IDA	\$32,000.00	N
b) Tucson IDA	\$32,000.00	N
<b>Underwriter Fee (including expenses)</b>	\$148,250.00	N
<b>Trustee Fee (acceptance Fee) and Counsel</b>	\$10,000.00	N
<b>Purchaser's Counsel (including expenses)</b>	\$35,000.00	N
<b>Rating Agency</b>	\$13,500.00	N
<b>Accountant's Verification</b>	\$6,000.00	N
<b>Printing and Mailing of POS and OS</b>	\$3,750.00	N
<b>Expense Contingency</b>	\$14,816.34	N/A
<b>Financial Advisor</b>	\$20,000.00	N
<b>Trustee Counsel</b>	\$10,000.00	N
<b>Verification Agent</b>	N/A	N/A
<b>Trustee (capitalized interest deposit)</b>	\$100,000.00	N
<b>Bond Purchaser Counsel</b>	N/A	N/A
<b>Placement Agent Fee (including expenses)</b>	N/A	N/A
<b>Placement Agent Counsel (including expenses)</b>	N/A	N/A
<b>Miscellaneous Expenses</b>	N/A	N/A
<b>Purchase Price Study</b>	\$6,000.00	N
<b>Department of Commerce Confirmation Fee</b>	\$17,683.66	N/A
<b>Special Commitment Amount</b>	\$5,000.00	N/A
<b>Total</b>	\$501,500.00	

\* Escrow Bonds Issued Jointly

**Table 9**  
**Costs of Issuance**  
**City of Tucson IDA**  
**2000 – 2002**

	Pima County/City of Tucson IDA MRB – 2001 Joint and Rural Statewide Program		Pima County MRB 2002 (Joint Issue with Tucson IDA and AzHFA)	
Tax Exempt	Total Combined \$36,500,000 \$13,500,000* \$3,000,000		Total Combined \$20,000,000 \$20,000,000 0	
▪ New Allocation				
▪ Recycled and/or Refunded				
Taxable				
<b>Cost of Issuance</b>	\$			RFP (Y/N)
<b>Bond Counsel (including expenses)</b>	\$42,500		47,500	N
<b>Issuer Fee</b>	NA		No upfront fee	N/A
<b>Issuer's Counsel (including expenses)</b>	\$37,500			
c) Pima IDA	\$37,500		\$32,000	N
d) Tucson IDA			\$32,000	N
<b>Underwriter Fee (including expenses)</b>	\$290,000		\$148,250	N
<b>Trustee Fee (acceptance Fee) and Counsel</b>	\$4,000		\$10,000	N
<b>Purchaser's Counsel (including expenses)</b>	NA		\$35,000	N
<b>Rating Agency</b>	\$18,500		\$13,500	N
<b>Accountant's Verification</b>	NA		\$6,000	N
<b>Printing and Mailing of POS and OS</b>	\$7,617.87		\$3,750	N
<b>Expense Contingency</b>	NA		\$14,816	N/A
<b>Financial Advisor</b>	\$22,000		\$20,000	N
<b>Trustee Counsel</b>	\$6,000		\$10,000	N
<b>Verification Agent</b>	\$7,500		N/A	N/A
<b>Trustee (capitalized interest deposit)</b>	NA		\$100,000	N
<b>Bond Purchaser Counsel</b>	NA		N/A	N/A
<b>Placement Agent Fee (including expenses)</b>	NA		N/A	N/A
<b>Placement Agent Counsel (including expenses)</b>	NA		N/A	N/A
<b>Miscellaneous Expenses</b>	\$118,150**		N/A	N/A
<b>Purchase Price Study</b>	NA		\$6,000.00	N
<b>Department of Commerce Confirmation Fee</b>			\$17,684	N/A
<b>Special Commitment Amount</b>			\$5,000	N/A
<b>Total</b>	\$591,267		\$501,500	

Escrow Bonds Issued Jointly

\* Amount of Escrow Bonds: Joint Tucson/Pima = \$10,265,000 and Pima County = \$3,235,000

**Table 10**  
**Costs of Issuance**  
**Arizona Housing Finance Authority**  
**2000 – 2002**

	Pima County MRB 2002 (Joint Issue with Tucson IDA and AzHFA)		MRB 2003 AzHFA	
<b>Tax Exempt</b> ▪ New Allocation ▪ Recycled and/or Refunded	<b>Total Combined</b> <b>\$20,000,000</b> <b>\$20,000,000*</b> <b>0</b>			
<b>Taxable</b>				
<b>Cost of Issuance</b>		RFP (Y/N)		
<b>Bond Counsel (including expenses)</b>	47,500	N		
<b>Issuer Fee</b>	No upfront fee	N/A		
<b>Issuer's Counsel (including expenses)</b>				
e) Pima IDA	\$32,000	N		
f) Tucson IDA	\$32,000	N		
<b>Underwriter Fee (including expenses)</b>	\$148,250	N		
<b>Trustee Fee (acceptance Fee) and Counsel</b>	\$10,000	N		
<b>Purchaser's Counsel (including expenses)</b>	\$35,000	N		
<b>Rating Agency</b>	\$13,500	N		
<b>Accountant's Verification</b>	\$6,000	N		
<b>Printing and Mailing of POS and OS</b>	\$3,750	N		
<b>Expense Contingency</b>	\$14,816	N/A		
<b>Financial Advisor</b>	\$20,000	N		
<b>Trustee Counsel</b>	\$10,000	N		
<b>Verification Agent</b>	N/A	N/A		
<b>Trustee (capitalized interest deposit)</b>	\$100,000	N		
<b>Bond Purchaser Counsel</b>	N/A	N/A		
<b>Placement Agent Fee (including expenses)</b>	N/A	N/A		
<b>Placement Agent Counsel (including expenses)</b>	N/A	N/A		
<b>Miscellaneous Expenses</b>	N/A	N/A		
<b>Purchase Price Study</b>	\$6,000	N		
<b>Department of Commerce Confirmation Fee</b>	\$17,684	N/A		
<b>Special Commitment Amount</b>	\$5,000	N/A		
<b>Total</b>	\$501,500			

\* Escrow Bonds Issued Jointly

**Table 11 (Page 1 of 3)**  
**FHA and MRB/MCC Programs**  
**Demographic Data Comparisons**  
**2000**

	<b>FHA 2000 Statewide</b>	<b>FHA 2000 Maricopa County</b>	<b>MRB 2000 -1 Maricopa (Joint Program)</b>	<b>MCC 2000 – 1 Phoenix IDA</b>	<b>FHA 2000 Pima County</b>	<b>MRB 2000 - A Pima IDA</b>	<b>MRB 2000 Tucson/Pima IDAs (Joint Program)</b>
<b>Number of Loans</b>	27,725	22,196	477	112	3,086	63	209
<b>Loan Type</b>							
<b>FHA/VA</b>	100%	100%	91.63%	92%	100%	95.2%	87.6%
<b>Conventional</b>			4.39%	7%		1.6%	7.0%
<b>Others</b>			3.98%	1%		3.2%	5.4%
<b>Average Purchase Price</b>	\$102,547	\$104,857	\$96,925	\$96,215	\$94,172	\$103,863	\$85,309
<b>Average Family Income</b>	\$44,101		\$37,011	\$35,131	NA	\$37,865	\$31,527
<b>Average Household Size</b>	NA	NA	2.46	2.8	NA	2.65	2.71
<b>Rural Loans</b>	NA	NA	NA	N/A	NA	0%	NA
<b>Target Areas</b>	NA	NA	2.73%	9.8%	NA	44.4%	10.8%
<b>First Time Homebuyers</b>	74.7%	74.8%	96.6%	97.4%	74.5%	98.41%	206
<b>Loans to Minorities</b>	41.6%	41.5%	41.4%	49.1%	44.3%	57.14%	53.3%
<b>Loans to 1-Person Households</b>	34.7%	36.0%	29.8%	39.2%	33.3%	19.05%	23.67%
<b>Existing Homes</b>	77.0%	77.7%	76.9%	83.4%	76.4%	93.65%	74.4%
<b># of Participating Lenders</b>	NA	NA	16	13	NA	4	7
<b>SF</b>	99.5%	99.6%	84.6%	85.7%	99.2%	55.56%	90.4%
<b>Interest Rate</b>			7.8% and 7.15%	NA		6.95%	7.59%
<b>Single Head-of-Household</b>	13.9%	14.1%	NA	37.5%	14.2%	NA	NA
<b>30-Year Fixed Rate Mortgage</b>	<b>1998 = 6.94%; 1999 = 7.44%; 2000 = 8.05%; 2001 = 6.97%</b>						

Data Source: HUD and IDAs. Note: Some loans under the MRB/MCC programs were FHA-guaranteed. Such loans are included in the total FHA number of loans.

**Table 11 (Continued, Page 2 of 3)**  
**MRB/MCC and FHA Programs**  
**Demographic Data Comparisons**  
**2001**

	<b>FHA 2001 Statewide</b>	<b>FHA 2001 Maricopa County</b>	<b>MRB 2001-2 Maricopa IDA (Joint Program)</b>	<b>MRB 2001 - 1 Phoenix IDA (Joint Program)</b>	<b>FHA 2001 Pima County</b>	<b>MRB 2001 (Pima/State (Joint Program))</b>	<b>MRB 2001 Tucson IDA (Joint Program)</b>
<b>Number of Loans</b>	39,182	31,906	336	240	4,261	179(1), 83(2)	181
<b>Loan Type</b> FHA/VA Conventional Others	100%	100%	94.2% 3.25% 2.55%	93.6% 4.6% 1.8%	100%	92.49%(1), 86.12%(2) 5.81%(1), 8.27%(2) 1.7%(1), 5.7%(2)	92.55% 5.75% 1.70%
<b>Average Purchase Price</b>	\$109,320	\$112,061	\$107,979	\$105,229	\$100,140	\$88,310 (1) \$83,780(2)	\$88,157
<b>Average Family Income</b>	\$34,117	\$34,186	\$37,346	\$38,274	\$32,160	\$32,183(1) \$32,719 (2)	\$32,330
<b>Average Household Size</b>	NA	NA	2.2	2.2	NA	2.7 (1) 2.5(2)	2.7
<b>Rural Loans</b>	NA	NA	NA	N/A	NA	0% (1)	NA
<b>Target Areas</b>	NA	NA	4.57%	5.2%	NA	15.52%(1) 7.79%(2)	16%
<b>First Time Homebuyers</b>	52.1%	51.6%	100%	100%	51.7%	99%(1) , 100%(2)	180
<b>Loans to Minorities</b>	36.8%	36.9%	35.01%	31.5%	36.4%	77.1%(1), 51%(2)	70%
<b>Loan to 1-Person Households</b>	36.5%	37.5%	40.0%	41.3%	36.4%	18%(1) , 24% (2)	20%
<b>Existing Homes</b>	83.0%	83.8%	79.71%	88.5%	82.0%	70.83% (1) 85.65%(2)	76%
<b># of Participating Lenders</b>	NA	NA	13	13	NA	8(1), 4(2)	8
<b>SF</b>	99.5%	99.6%	89.31%	87%	99.3%	90.29%(1), 88.88%(2)	90%
<b>Interest Rate</b>	NA	NA	18.39% of the loans at 5.79%; 81.61% at 6.39%	19.6% of the loans at 5.83% and 80.4 % at 6.48%	NA	6.95% 6.45%	6.95%
<b>Single Head-of- Household</b>	12.1%	12.2%	NA	21.3%	11.3%	NA	NA
<b>30-Year Fixed Rate Mortgage</b>	<b>1998 = 6.94%, 1999 = 7.44%, 2000 = 8.05%, and 2001 = 6.97%</b>						

Data Source: HUD and IDAs.

(1) Pima; (2) State

**Table 11 (Page 3 of 3)**  
**MRB/MCC and FHA Programs**  
**Demographic Data Comparisons**  
**2002**

	<b>FHA 2002 Statewide</b>	<b>FHA 2002 Maricopa County</b>	<b>FHA 2002 Pima County</b>	<b>MRB 2002-1 Tax Exempt SF ** (Joint...)</b>	<b>MRB 2002-2 Tax Exempt SF ** (Joint...)</b>	<b>MRB 2002 (3) (Joint – Tucson/Pima)</b>	<b>MRB 2002 (3) (Joint – Rural)+*</b>
<b>Number of Loans</b>	32,103	25,161	3,542	229	174	64	29
<b>Loan Type</b>							
<b>FHA/VA</b>	100%	100%	100%	98.77%	99.24%	95.31	89.7%
<b>Conventional</b>				1.23%	0.76%	4.69	10.3%
<b>Others</b>				0.00%	0.00%		
<b>Average Purchase Price</b>	\$105,985	\$108,517	\$96,789	\$111,916	\$110,168	\$96,203	\$89,482
<b>Average Family Income</b>	\$34,440	\$34,188	\$34,020	\$38,095	\$36,807	\$33,810	\$33,758
<b>Average Household Size</b>	NA	NA	NA	2.2	2.2	2.91	2.45
<b>Rural Loans</b>	224	156	9	N/A	N/A	0%	100%
<b>Target Areas</b>	NA	NA	NA	0.77%	1.71%	10.94%	0%
<b>First Time Homebuyers</b>	23.9%	54.2%	56.4%	100%	100%	98.44%	100%
<b>Loans to Minorities</b>	49.1%	49.2%	49.3%	39.18%	30.04%	68.75%	55.17%
<b>Loans to 1-Person Households</b>	NA	NA	NA	42.4%	40.6%	21.88	31.03
<b>Existing Homes</b>	82.2%	83.2%	83.3%	90.89%	88.16%	75%	75.86%
<b># of Participating Lenders</b>	337	304	135	15	15	9	6
<b>SF</b>	96%	96%	97%	92.25%	88.64%	84.38%	96.55%
<b>Interest Rate</b>	6.8	6.89	6.86	6.19%+	5.99%++	6.25%	6.25%
<b>Single Head-of-Household</b>	NA	NA	NA	NA	NA	NA	NA
<b>30-Year Fixed Rate Mortgage</b>	1998 = 6.94%, 1999 = 7.44%, 2000 = 8.05%, and 2001 = 6.97%						

Data Source: HUD and IDAs.

+ 1.9\* of the loans at 5.96%, and 98.6% of the loans at 6.19%. ++3.26% of the loans at 5.39% and 96.74% of the loans at 5.95%.

(1) Pima; (2) State; (3) This is a joint bond issue. All numbers and percentages with the exception of New Allocation are for the entire program and not just the Pima County portion.

\*\* Joint City of Phoenix IDA/ Maricopa County IDA. +\* Rural in 2002 is a joint program between Pima IDA, Tucson IDA and AzHFA. The area includes the 13 rural counties (excluding Pima and Maricopa).

**Table 12**  
**Private Activity Bond Allocation Summary for 2002**

Private Activity Bond	Allocation Amount
Single Family MRB/MCC	\$139,316,122.00
Student Loans	\$79,600,000.00
Manufacturing	\$10,685,000.00
Multifamily Housing	\$112,950,325.00
All Other	\$55,498,378.00
Total	\$398,049,825.00

Date Source: Arizona Department of Commerce

**Table 13 (Page 1 of 2)**  
2003 Mortgage Limits for FHA-Insured Loans

County Name	MSA Name	One-Family Property	Two-Family Property	Three-Family Property	Four-Family Property
GILA	NON-METRO	\$154,896	\$198,288	\$239,664	\$297,840
APACHE	NON-METRO	\$154,896	\$198,288	\$239,664	\$297,840
GRAHAM	NON-METRO	\$154,896	\$198,288	\$239,664	\$297,840
LA PAZ	NON-METRO	\$154,896	\$198,288	\$239,664	\$297,840
NAVAJO	NON-METRO	\$154,896	\$198,288	\$239,664	\$297,840
COCHISE	NON-METRO	\$154,896	\$198,288	\$239,664	\$297,840
YAVAPAI	NON-METRO	\$154,896	\$198,288	\$239,664	\$297,840
GREENLEE	NON-METRO	\$154,896	\$198,288	\$239,664	\$297,840
SANTA CRUZ	NON-METRO	\$154,896	\$198,288	\$239,664	\$297,840
MOHAVE	LAS VEGAS, NV-AZ	\$168,550	\$198,288	\$239,664	\$297,840
PINAL	PHOENIX-MESA, AZ	\$154,896	\$198,288	\$239,664	\$297,840
MARICOPA	PHOENIX-MESA, AZ	\$154,896	\$198,288	\$239,664	\$297,840
COCONINO	FLAGSTAFF, AZ-UT	\$165,932	\$198,288	\$239,664	\$297,840
PIMA	TUCSON, AZ	\$154,896	\$198,288	\$239,664	\$297,840
YUMA	YUMA, AZ	\$154,896	\$198,288	\$239,664	\$297,840

Date Source: HUD



**Table 13 (2 of 2)**  
**2003 Freddie Mac and Fannie Mae Conventional Loan Limits**

<b>Property Type</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
<b>One-Family Property</b>	\$252,700	\$275,000	\$300,700	\$322,700
<b>Two-Family Property</b>	\$323,400	\$351,950	\$384,900	\$413,100
<b>Three-Family Property</b>	\$390,900	\$425,400	\$465,200	\$499,300
<b>Four-Family Property</b>	\$485,800	\$528,700	\$578,150	\$620,500

Data Source: Freddie Mac/Fannie Mae website

**Table 14: Income Limits and Average Area Purchase Price Requirements by County for MRB/MCC Programs - 2002**

<b>The Income Limits Applicable for the State of Arizona in 2002</b>				
County Name	Family of 1 or 2		Family of 3 or More	
	Non-Targeted	Targeted	Non-Targeted	Targeted
Pima County	\$51,900	\$62,280	\$59,685	\$63,865
Maricopa County	57,900	63,865	63,865	63,865
Pinal County	57,900	63,865	63,865	63,865
Mohave County	54,300	63,865	62,445	63,865
All Other Counties	51,900	62,280	59,685	63,865

Source: City of Tucson IDA.

Note: The IRS Code provides that you can use the greater of the statewide limits or the limits for your own county. Maricopa, Pinal and Mohave counties are the only counties that have limits greater than the statewide limits.

<b>Average Area Purchase Price – January 2002</b>				
County Name	Existing Homes		New Homes	
	Non-Targeted	Targeted	Non-Targeted	Targeted
Apache	\$87,981	\$107,533	\$103,693	\$126,736
Cochise	86,978	106,309	129,585	158,381
Coconino	147,856	180,712	136,237	166,511
Gila	116,873	142,845	115,806	141,540
Graham	87,981	107,533	103,693	126,736
Greenlee	87,981	107,533	103,693	126,736
La Paz	87,981	107,533	103,693	126,736
Maricopa/Pinal	149,508	182,732	169,715	207,429
Mohave	138,169	168,873	182,206	222,696
Navajo	109,928	134,356	113,306	138,484
Pima	131,302	160,480	154,284	188,570
Santa Cruz	116,011	141,791	109,323	133,617
Yavapai	129,209	157,922	143,184	175,002
Yuma	87,981	107,533	103,693	126,736

Source: AzHFA and Pima IDA.



January 3, 2003

Honorable Jane Dee Hull, Governor  
State of Arizona  
1700 West Washington  
Phoenix, AZ 85007

The Honorable Randall Gnant  
President, Arizona Senate  
1700 West Washington  
Phoenix, AZ 85007

The Honorable Jim Weiers  
Speaker, Arizona House of Representatives  
1700 West Washington  
Phoenix, AZ 85007

**RE: REPORT OF THE SB1204 TEMPORARY TASK FORCE**

Dear Governor Hull, Senator Gnant and Representative Weiers:

*SB 1204 mandated that the Arizona Housing Commission establish a temporary committee composed of representatives of all stakeholders involved in industrial development authority financing for single family and multiple family housing allocation. The Arizona Department of Housing polled interest among representatives of a statewide list of IDA board members, housing authorities, developers, urban and rural government housing, nonprofit agencies and tribal agencies. The members of this task force and their affiliation are attached to this report as Attachment A.*

This committee was charged with reviewing certain aspects of the private activity bond allocation process that is administered through the Arizona Department of Commerce. The task force met three times: October 23, November 6, and December 5. This report is the result of their findings and recommendations.

Private Activity Bonds (PAB) are securities issued by or on behalf of a local government to provide debt financing for projects used most often by a private user. Bonds are normally payable solely from payments made by the private user of the property financed. The maximum aggregate amount of PAB which may be issued in any state (the "state ceiling") is established by I.R.C. §146; in 2002, this was \$75 for each state resident or \$398,049,825.



ARIZONA DEPARTMENT OF HOUSING

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In 1998, the state ceiling for Arizona was \$227.8 million. By 2002, it had increased to \$398 million (Table 1). Over the past five years, the aggregate Private Activity Bonds issued has approached \$1.42 billion. Prior to 2002, multifamily housing was not one of the categories that annually received an allocation of the state ceiling. However, there has been an allocation of the state ceiling made from the "Director's Discretion" category and from "All Other" category to multifamily housing. For example, in 2001, \$115.3 million originally allocated to various categories was utilized for multifamily housing projects (Table 2).

From 1998 to 2002, the unallocated amount for "Student Loans" category was \$18.6 million and for "Manufacturing" category \$123.4 million (Tables 4 and 5). Most of this allocated volume cap was used for Multifamily Housing.

Applications for state ceiling submitted to the Arizona Department of Commerce during this five-year period have totaled 366. Of that total, 121 received volume cap allocations (Table 3). For multifamily projects, 48 received allocations out of the total 191 that were submitted (Table 3).

The Arizona Department of Commerce is responsible for the administration and ministerial functions associated with the allocation of the "state ceiling" in Arizona. Use of the state ceiling for single family housing, either through the issuance of Mortgage Revenue Bonds (MRB) or by establishing Mortgage Credit Certificate (MCC) programs is restricted by statute to certain issuers. The issuer must be the Arizona Housing Finance Authority (AzHFA), which was established in 2002 or an Industrial Development Authority (IDA) whose jurisdiction has at least 9% of the state's population for it to qualify to issue MRBs or MCCs. In addition to the AzHFA there are only four qualified IDAs in Arizona, representing Maricopa County, the City of Phoenix, Pima County and the City of Tucson.

A qualified IDA may submit an allocation reservation at any time before submitting a formal request for allocation, but no later than January 31. A qualified IDA may not reserve more than its portion of the overall allocation determined by the population of the qualified IDA's jurisdiction to the State population. This reservation does not obligate the qualified IDA to make a formal request.

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Senator Randall Gnant  
Representative Jim Weiers  
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The following projects are eligible to apply:

- Mortgage Revenue Bonds/Mortgage Credit Certificates (Single Family Housing)
- Qualified Residential Rental Housing (Multi-Family Housing)
- Qualified Small Issue Bonds (Manufacturing)
- Student Loan Bonds
- Exempt Facility Bonds (Solid Waste, local utility improvements etc.)

The state ceiling allocation "calendar" is divided into three periods:

- January 1, or the first business day through 5:00 pm, June 30 (the "January Lottery").
- July 1, or the next business day, through 5:00 pm, December 16 (the "July Lottery").
- December 17, or the next business day, through 5:00 pm, December 31 (The "Carry Forward Period").

A lottery is used to determine priority for requests for allocation received at the same time. Arizona's state ceiling is divided into six categories, as determined by statute. A.R.S. § 35-902 for the January Lottery divides the state ceiling as follows:

- 35% to single family MRB/MCC
- 20% to Student Loans
- 15% to Manufacturing
- 10% to Multi-Family Housing
- 10% to all Other projects requiring volume cap
- 10% to the Director's Discretion

For the July Lottery only the Director's Discretion category survives, all other categories are consolidated and available for any purpose other than MRB/MCC.

The Task Force had no recommendations to change the allocation percentages to any category.

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The Task Force has the following recommendations:

- With respect solely to multifamily projects, during the January Lottery period extend the time to file a certificate of closing with the Department of Commerce to 90 days from the date of the confirmation of the receipt of an allocation and during such January Lottery period allow for confirmations to be extended one time to 90 days upon the payment of the extension fee currently required by law. Amendments to A.R.S. Sections 35-904 and 35-910.
- The time to file a closing certificate in connection with MRB's or MCC's be extended to September 1. Amendment to A.R.S. § 35-904.
- With respect to the July Lottery eliminate the 1% security deposit required by A.R.S. § 35-906(B)(3).
- Restrict the number of Requests (as defined in A.R.S. § 35-901) for multifamily projects in the January Lottery and in the July Lottery to four (4) by any one applicant or entity controlled or affiliated with the applicant. Controlled or affiliated shall be defined to mean ownership or an interest in revenues greater than ten percent (10%).
- Require multifamily project Requests submitted in either lottery to include evidence of site control. Additionally, the Task Force encourages all applicants for multifamily projects to submit to the Department of Housing a market demand study pertaining to the project at the time of submitting a request for confirmation, or as soon thereafter as possible, in order to allow the Department of Housing to promptly review and respond to the applicant.

Respectfully submitted,

/s/

Suzanne B. Gilstrap, Chairman  
SB 1204 Temporary Task Force

cc: Betsy Bayless, Secretary of State  
Director, Arizona State Library, Archives and Public Records

Attachments a/s

## ATTACHMENT A

### TASK FORCE MEMBER

### AFFILIATION

#### Chairperson:

Suzanne Gilstrap, President

Gilstrap & Associates

Audrey Adamic, Vice President

National Bank of Arizona

Jim Blandford

Sandra Brown, Manager

Arizona Department of Commerce

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The Affordable Housing Trust

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Environmental Protection International

Kevin Salcido

Northern Trust

Juan Salgado, Deputy Finance Director

City of Phoenix

Bill Slater

Neighborhood Housing Services of Phoenix, Inc.

Bill Wildman, Managing Director

RBC Dain Rauscher

James Willett, Executive Director

Native American Connections

Table 1  
State of Arizona – Private Activity Bonds Allocation Summary: 1998-2002

	1998		1999		2000		2001		2002	
	%	\$s	%	\$s	%	\$s	%	\$s	%	\$s
Director's Discretion	15	\$34,170,000	15	\$35,010,000	15	\$35,837,490	15	\$48,099,675	10	\$39,804,983
MRB/MCC (Single-Family)	35	\$79,730,000	35	\$81,690,000	35	\$83,620,810	35	\$112,232,575	35	\$139,317,438
Student Loan	20	\$45,560,000	20	\$46,680,000	20	\$47,783,320	20	\$64,132,900	20	\$79,609,965
Multifamily*	-	-	-	-	-	-	-	-	10	\$39,804,983
Manufacturing	15	\$34,170,000	15	\$35,010,000	15	\$35,837,940	15	\$48,099,675	15	\$59,707,474
All Other	15	\$34,170,000	15	\$35,010,000	15	\$35,837,490	15	\$48,099,675	10	\$39,804,983
Total of Confirmation	100	\$227,800,000	100	\$233,400,000	100	\$238,916,000	100	\$320,664,500	100	\$398,049,825

\* Started in 2002

MRB: Mortgage Revenue Bonds

MCC: Mortgage Credit Certificates



**Table 2**  
State of Arizona – Private Activity Bonds Allocation to Single and Multifamily Housing  
1998-2002

	1998		1999		2000		2001		2002	
	%	\$s	%	\$s	%	\$s	%	\$s	%	\$s
<i>MRB/MCC (Single-Family Housing):</i>										
▪ Initial Allocation	35	\$79,730,000	35	\$81,690,000	35	\$83,620,809	35	\$112,227,782	35	\$139,316,122
▪ Final Allocation*	51.7	\$117,760,000	39.4	\$91,965,000	35	\$83,620,809	35	\$112,227,782	35	\$139,316,122
<b>Multifamily Housing (MF):</b>										
Allocation to MF (Started in 2002)		0	0	0	0	0	0	0	10	\$39,804,983
Allocation to MF From:										
▪ “All Other “ Category		\$14,170,000		\$9,675,000		\$34,837,490		\$48,099,675		\$27,860,000
▪ “ August Lottery”		\$6,000,000				\$1,280,020		\$27,155,663		\$60,390,325
▪ “Director’s Discretion”		\$11,370,000		\$15,220,000		\$13,151,247		\$40,000,000		\$16,200,000
▪ Carryforward		\$3,000,000		\$6,055,000		\$54,544		0		0
▪ <b>Total MF Allocation</b>	<b>15.2</b>	<b>\$34,540,000</b>	<b>13.2</b>	<b>\$30,950,000</b>	<b>20.6</b>	<b>\$49,323,301</b>	<b>35.9</b>	<b>\$115,255,338</b>	<b>36.2</b>	<b>\$144,255,308</b>
<b>Total Allocation to Housing (Single and Multifamily Combined)</b>	<b>66.9</b>	<b>\$152,300,000</b>	<b>52.7</b>	<b>\$122,915,000</b>	<b>55.6</b>	<b>\$132,944,110</b>	<b>70.9</b>	<b>\$227,483,120</b>	<b>71.2</b>	<b>\$283,571,430</b>

\* Total allocation is comprised of initial allocation, mid-year lottery and allocations from other categories.

Note: All percentage calculations are based on the initial dollar allocations to MRB/MCC and multifamily allocations (starting in 2002).

Source: Arizona Department of Housing and Arizona Department of Commerce.

Table 3  
State of Arizona – Private Activity Bonds Applications: 1998-2002

	1998	1999	2000	2001	2002	Total 1998 - 2002
Total Number of Applications Submitted:	76	91	49	86	64	366
▪ Multifamily Projects	27	31	26	66	41	191
▪ Other Projects*	49	60	23	20	23	175
Total Number of Applications Receiving Volume Cap Allocation:	27	23	22	23	26	121
▪ Multifamily Projects	9	7	7	15	10	48
▪ Other Projects	18	16	15	8	16	73
“All Other” Category - Total Number of Applications Submitted:	21	14	17	37	11	100
▪ Multifamily Projects	16	6	15	36	0	73
▪ Other Projects	5	8	2	1	11	27
“All Other” Category - Total Number of Applications Receiving Volume Cap Allocation:	5	4	3	7	5	24
▪ Multifamily Projects	5	2	3	11	9	30
▪ Other Projects	0	2	0	0	0	2
Total Number of Applications Submitted (“Director’s Discretion” Category):	16	19	10	15	Pending	60
▪ Multifamily Projects	6	10	6	12	Pending	34
▪ Other projects	10	9	4	3	pending	26
Total Number of Applications Receiving Volume Cap Allocation (“Director’s Discretion” Category):	10	8	4	5	Pending	27
▪ Multifamily Projects	5	5	2	4	Pending	16
▪ Other Projects	5	3	2	1	Pending	11

\* Other Projects include utilities, solid waste/sewage, manufacturing and single family housing projects.

Source: Arizona Department of Housing and Arizona Department of Commerce.

**Table 4****State of Arizona - Student Loans Volume Cap Allocation: 1998 - 2002**

<b>Year</b>	<b>Volume Cap Allocation to Student Loans</b>	<b>Allocation Received by AELMAC</b>	<b>Allocation Received by SLAAA</b>	<b>Amount Unused by Student Loans</b>
1998	\$45,560,000	\$27,000,000	0	\$18,560,000
1999	\$46,680,000	0	\$46,680,000	0
2000	\$47,783,320	0	\$47,783,320	0
2001	\$64,132,900	\$64,132,900	0	0
2002	\$79,609,965	NA	\$79,600,000	\$9,965
<b>Total</b>	<b>\$283,766,185</b>	<b>\$91,132,900</b>	<b>\$174,063,320</b>	<b>\$18,569,965</b>

AELMAC AND SLAAA (STUDENT LOAN ACQUISITION AUTHORITY OF ARIZONA) ARE TWO COMPANIES TO WHICH ARIZONA VOLUME CAP ALLOCATION FOR STUDENT LOANS IS ALLOCATED.

**Table 5****State of Arizona - Manufacturing Volume Cap Allocation: 1998 - 2002**

<b>Year</b>	<b>Number of Manufacturing Applications Submitted</b>	<b>Number of Manufacturing Applications Receiving Volume Cap Allocation</b>	<b>Volume Cap Allocation to Manufacturing</b>	<b>Total Amount Allocated to Manufacturing (Total Closed)*</b>	<b>Amount Unused by Manufacturing</b>
1998	14	11	\$34,170,000	\$18,500,000	\$15,670,000
1999	14	9	\$35,010,000	\$38,550,000	\$(3,540,000)
2000	13	8	\$35,837,490	\$58,390,000	\$(22,552,510)
2001	9	1	\$48,099,675	\$5,500,000	\$42,599,672
2002	1	1	\$59,707,474	\$2,485,000**	\$57,222,474
<b>Total</b>	<b>51</b>	<b>30</b>	<b>\$212,824,639</b>	<b>\$123,425,000</b>	<b>\$89,399,639</b>

\*May include allocations not used in other categories.

\*\* Not completed yet; still being allocated.

Source: Arizona Department of Housing and Arizona Department of Commerce

**Table 6**  
State of Arizona – Private Activity Bonds  
Volume Cap Allocation to Multi-Family Projects  
1998-2002

	1998	1999	2000	2001	2002	Total 1998 - 2002
<b>Director's Discretion:</b>						
Number of MF Projects Receiving Volume Cap Allocation	4	5	4	4	1	18
Dollar Amount of Volume Cap Allocated to MF	\$14,370,000	\$21,055,000	\$13,695,247	\$40,000,000	\$16,200,000	\$
<b>"All Other" Category:</b>						
Number of MF Projects Receiving Volume Cap Allocation	5	2	3	11	9	30
Dollar Amount of Volume Cap Allocated to MF	*\$20,170,000	\$9,675,000	\$34,837,490	\$75,255,338	\$88,250,325	\$
<b>Total:</b>						
Number of MF Projects	9	7	7	15	10	48
Dollar Amount	\$34,540,000	\$30,730,000	\$48,532,737	\$115,255,338	\$104,450,325	\$333,508,400

Note: The 2002 allocation is still being distributed.

\* Reflects the sum of August Lottery, Director's Discretion and Carryforwards.

Source: Arizona Department of Housing and Arizona Department of Commerce (10/18/2002 Data).

Table 7  
Private Activity Bond Allocation by Categories of Use  
in Selected States – 2001/2002

State	Single Family Homes	Multi-Family Homes	Manufacturing Facilities	Student Loans	Director's Discretion	All Other Uses	Comments
Arizona:							
▪ Initial Allocation	35%*	10%	15%	20%	10%	10%	* MRBs and MCCs
▪ Final Allocation	35%	36.2%	NA	NA	NA	NA	
California	23.4%	51.9%	5.4%	5.9%	NA	*13.4%	*Teacher home purchase program is 4.8% of the total
Idaho	29.6%	23%	4.6%	8.8%	NA	*34%	* State-related Issues is 8% and "All Others" is 26%
New Mexico	52%	10.9%	NA	30.7%*	NA	6.4%	* Education
Texas	29.6%	23%	NA	8.8%	NA	*38.6%	* Qualified small issues, state voted projects, water projects and others
Utah	42%	*24%	NA	33%	NA	1%	* Multifamily housing and manufacturing facilities
Colorado	50% is shared by several state agencies and 50% is allocated to cities, towns and counties based on population limits.						
Maryland	50% to the counties, 2.5% to municipalities, 25% for housing and 22.5% to the Secretary of Business and Economic Development's Reserve.						
Nebraska	The state Governor authorizes the allocation or establishes method for allocation of volume cap.						
Nevada	In Nevada, the volume cap amount is spilt evenly (50% each) between state and local governments at the beginning of each year.						
Wyoming	Governor must establish rules to allocate state ceiling.						

Compiled by: Arizona Department of Housing - through Internet Research.